PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2018

Church Commissioners for England

UNEP FINANCE INITIATIVE | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

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 2018 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.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
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	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive,active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	✓	Private							✓
OO PR 02	Breakdown of assets by management	✓	Private							✓
OO PR 03	Largest property types	✓	Private							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

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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	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public						✓	
SG End	Module confirmation page	✓	-							

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Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

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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	✓	Public	✓	✓					
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	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	✓	Private		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Private		✓					
LEA 24	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

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

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Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	🔒	n/a							✓
CM 1 01.6	Assurance or internal audit	🔒	n/a							✓
CM 1 01.7	Internal verification	✓	Public							✓
CM 1 01 End	Module confirmation page	✓	-							

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 01.3 Additional information. [Optional]

The Church Commissioners exist to support the work and mission of the Church of England today and for future generations, helping it to remain a Christian presence in every community. The Commissioners manage the Church of England's endowment fund in a responsible and ethical way, using the investment returns to contribute towards the cost of mission projects, dioceses in low-income areas, bishops, cathedrals, and pensions. The Commissioners give over £200m a year to the Church of England - accounting for around 15% of the Church's overall income - making the Commissioners one of the largest charitable givers in the UK.

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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

38

OO 02.4 Additional information. [Optional]

This number represents FTEs in the investments function - both investments and operations staff.

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.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

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	trillions	billions	millions	thousands	hundreds
Total AUM		8	300	000	000
Currency	GBP				
Assets in USD		11	209	103	739

OO 06	Mandatory	Public	Descriptive	General

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

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

◉ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	42
Fixed income	7	8
Private equity	0	5
Property	9	2
Infrastructure	0	0.5
Commodities	0	0
Hedge funds	0	9
Forestry	0	4
Farmland	9	0
Inclusive finance	0	0
Cash	0.5	0
Other (1), specify	3	0
Other (2), specify	1	0

'Other (1)' specified

Strategic land

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	'Other (2)' specified

Value linked loans

○ as broad ranges

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

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General

OO 09.1	Indicate the breakdown of your organisation's AUM by market.

Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ○ <10% ◉ 10-50% ○ >50 %
Total	*100%*

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General

OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.

	Listed equity – engagement

☑ 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 factors on our behalf.

☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

	Listed equity – voting

☑ 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

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Fixed income SSA – engagement

☐ 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 factors on our behalf.

☑ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We do not do fixed income engagement ourselves. We encourage our external fixed income managers to engage but do not require it as the value of it is strategy-dependent.

Fixed income Corporate (non-financial) – engagement

☐ 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 factors on our behalf.

☑ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We do not do fixed income engagement ourselves. We encourage our external fixed income managers to engage but do not require it as the value of it is strategy-dependent.

Fixed income Corporate (securitised) – engagement

☐ 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 factors on our behalf.

☑ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We do not do fixed income engagement ourselves. We encourage our external fixed income managers to engage but do not require it as the value of it is strategy-dependent.

OO 11	Mandatory	Public	Gateway	General

Fixed income - SSA

◉ We address ESG incorporation.

○ We do not do ESG incorporation.

Property

◉ We address ESG incorporation.

○ We do not do ESG incorporation.

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Farmland

◉ We address ESG incorporation.

○ We do not do ESG incorporation.

Cash

◉ We address ESG incorporation.

○ We do not do ESG incorporation.

Other (1)

◉ We address ESG incorporation.

○ We do not do ESG incorporation.

Other (2)

○ We address ESG incorporation.

◉ We do not do ESG incorporation.

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

Strategic land

'Other (2)' [as defined in OO 05]

Value linked loans

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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - SSA	Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - corporate (non-financial)	Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - securitised	Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Private equity	Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Property	Property - ESG incorporation addressed in your external manager

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	selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Infrastructure	Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Hedge funds	Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Forestry	Forestry - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation

OO 11.4 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

We are guided by our Responsible Investment Framework in taking account of responsible investment (RI) considerations in our investment manager selection, appointment and monitoring processes. All prospective managers are rated on RI; RI considerations are incorporated into appointment documentation; and RI is part of our monitoring process through dialogue and regular re-assessments using our RI rating system.

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

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

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PRI Principles for Responsible Investment

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

☑ Infrastructure

Closing module

☑ Closing module

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

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SG 01.2 Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach	◉ Applicable policies cover all AUM
☑ Formalised guidelines on environmental factors	○ Applicable policies cover a majority of AUM
☑ Formalised guidelines on social factors	○ Applicable policies cover a minority of AUM
☑ Formalised guidelines on corporate governance factors	
☐ Asset class-specific RI guidelines	
☑ Sector specific RI guidelines	
☑ Screening / exclusions policy	
☐ Engagement policy	
☐ (Proxy) voting policy	
☑ Other, specify (1)	
Pooled Funds Policy	
☐ Other, specify(2)	

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

☑ Time horizon of your investment

☑ Governance structure of organisational ESG responsibilities

☑ ESG incorporation approaches

☑ Active ownership approaches

☑ Reporting

☑ Climate change and related issues

SG 01.3a CC Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.

The principal risk for the Commissioners is that our asset allocation, our asset managers or individual investment assets will be poorly positioned for the investment risks and opportunities associated with the transition to a low carbon economy. For our property, rural and forest assets, we carefully take into account the physical risks associated with climate change, such as flooding and fire.

There are significant uncertainties around the direction of public policy, developments in technology and its uptake, and the nature and severity of the physical impacts of climate change. The most significant challenge for investment decision-making is that global public policy is not aligned with the target of the Paris Agreement to restrict the global average temperature rise to well below 2 degrees Celsius. Although it is intended that governments will ratchet up their commitments to emissions reduction - their 'Nationally Determined Contributions' - it is not clear that governments will do this, or will do so in time. Governments may also not live up to, or may renege upon, the commitments they have made.

The biggest risk to the Commissioners in the long term - beyond 2050 - is that the global average temperature rise is not restricted below 2 degrees Celsius, causing economic, environmental and social damage that it will not be possible to avoid via asset allocation or investment selection.

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SG 01.3b CC	Describe how climate-related risks and opportunities are factored into your investment strategies or products.

◉ We factor climate-related risks and strategies into our investment strategies or products.

The Commissioners' approach to climate change and climate-related risk management is set out in our Climate Change Policy. The management of climate-related risk and opportunity is also integrated into our RI Framework and included in our monitoring of, and engagement with, asset managers.

The key risk management tools we deploy are:

- active engagement with public policy makers, companies and our asset managers
- divestment from high carbon assets
- investment in low carbon assets
- monitoring our carbon footprint

Describe how these risks and opportunities serve as an input to your investment strategies or products and the related time periods used.

Specific Guidance:

Asset Owners

This can be described from the perspective of the total fund or investment strategy or individual investment strategies for various asset classes.

Investment Managers

This can be described from the perspective of all investments strategies and products or individual investment strategies and products for clients

○ We do not factor climate-related risks and strategies into our investment strategies or products.

☐ Other RI considerations, specify (1)

☐ Other RI considerations, specify (2)

SG 01.4	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

The Church Commissioners' 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.

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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.

SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

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. Ethical investment policies are adopted by the Commissioners' Board of Governors.

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. 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, extractive industries, 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 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, incorportating 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

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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 Financial Reporting Council consultation on the Corporate Governance Code and Stewardship Code. 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.

○ No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that:Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
-

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

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/sites/default/files/2017-11/Responsible%20Investment%20Framework.pdf

☐ Attachment (will be made public)

☑ Formalised guidelines on environmental factors

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URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Climate%20Change%20Policy%20.pdf

☑ Attachment (will be made public)

Attachment

File 1:Genetically modified organisms policy.pdf

File 2:Environmental Statement.pdf

☑ Formalised guidelines on social factors

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Supply%20Chain%20Engagement%20Framework_0.pdf

☑ Attachment (will be made public)

Attachment

File 1:Pornography Policy.pdf

File 2:Non-Military Firearms Policy.pdf

File 3:Human Embryonic Cloning Policy.pdf

File 4:High Interest Lending Policy.pdf

☑ Formalised guidelines on corporate governance factors

URL/Attachment

☑ URL

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URL

https://www.churchofengland.org/sites/default/files/2017-11/Executive%20Remuneration%20Policy_0.pdf

☑ Attachment (will be made public)

Attachment

File 1:Corporate tax ethics 2013.pdf

☑ Sector specific RI guidelines

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Extractive%20Industries%20Policy%20and%20Advice.pdf

☑ Attachment (will be made public)

Attachment

File 1:Gambling Policy.pdf

File 2:Defence Investments Policy.pdf

File 3:Alcohol Policy.pdf

☑ Screening / exclusions policy

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Statement%20of%20Ethical%20Investing%20Policy%20March%202017.pdf

☐ Attachment (will be made public)

☑ Other, specify (1)

Other, specify (1) description

Pooled Funds Policy

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	URL/Attachment

☑ URL

	URL

https://www.churchofengland.org/sites/default/files/2017-11/Pooled%20Funds%20Policy.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/sites/default/files/2017-11/Responsible%20Investment%20Framework.pdf

☐ Attachment

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

	URL/Attachment

☑ URL

	URL

https://www.churchofengland.org/sites/default/files/2017-10/church_commissioners_annual_review_2016.pdf

☐ Attachment

☑ Time horizon of your investment

	URL/Attachment

☑ URL

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URL

https://www.churchofengland.org/sites/default/files/2017-10/church_commissioners_annual_review_2016.pdf

☐ Attachment

☑ Governance structure of organisational ESG responsibilities

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Responsible%20Investment%20Framework.pdf

☐ Attachment

☑ ESG incorporation approaches

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2017-11/Responsible%20Investment%20Framework.pdf

☐ Attachment

☑ Active ownership approaches

URL/Attachment

☑ URL

URL

https://www.churchofengland.org/sites/default/files/2018-03/Business%20and%20Engagement%202017.pdf

☐ Attachment

☑ Reporting

URL/Attachment

☑ URL

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	URL

https://www.churchofengland.org/sites/default/files/2017-11/Responsible%20Investment%20Framework.pdf

☐ Attachment

☑ Climate-related issues

	URL/Attachment

☑ URL

	URL

https://www.churchofengland.org/sites/default/files/2017-11/Climate%20Change%20Policy%20.pdf

☐ Attachment

☑ Climate change and related issues

	URL/Attachment

☑ URL

	URL

https://www.churchofengland.org/sites/default/files/2017-11/Climate%20Change%20Policy%20.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/sites/default/files/2017-10/church_commissioners_annual_review_2016.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. Our policy on GMOs is also 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

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with the url. Our policies on high interest rate lending, human embryonic cloning non-military firearms and pornography are attached.

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

We have a large number of sector specific policies, which set out ethical investment exclusions where these are part of our approach. The url is given for our newest sector specific policy, on the extractive industries. Other policies are included as attachments, covering alcohol, defence and gambling.

On engagement, we have a Business and Engagement Policy.

Information on our investment strategy and objectives is found in our annual report, on our approach to Responsible Investment in our RI Framework, and on our approach to climate change in our Climate Change Policy. We are not a pension fund, so do not have a Statement of Investment Principles. The appropriate document is signposted for each of the questions in SG 02.2 and SG 02.3.

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

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General

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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 set/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.

The Commissioners' Assets Committee conducts separate annual reviews of the implementation of our Responsible Investment Framework, Pooled Funds Policy and Engagement and Voting programme. Additional quarterly reporting is provided for the Assets Committee on the implementation of the Pooled Funds Policy and the Engagement and Voting programme. Quarterly updates on Responsible Investment activities and progress are provided to the Commissioners' Board.

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 members of the Ethical Investment Advisory Group Secretariat and Engagement Team. 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

Head of Real Assets

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- ☑ 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

☐ ESG portfolio manager

☑ 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 overarching ethical policy development and implementation.

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

The Head of Real Assets oversees ethical and RI policy and implementation with regard to real assets 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 Real Assets 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.

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	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 Deputy Head of Engagement 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). We also engaged consultancy and short-term contract support on engagement related activities in 2017.

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 2017 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.

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment:Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
- This can be an internal staff or an external role;
- They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
- They do not have to be allocating the majority of their time to RI/ESG activities.
-
- Senior level oversight and accountability for RI implementation:Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
- "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
-

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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

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☑ 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 and planning for the hedge funds industry guide. He also worked with the PRI Secretariat on encouraging signatories to incorporate climate risk in voting in line with PRI Principle 2. He is a regular speaker on panels advocating RI and PRI including alongside PRI staff - eg a law firm event on RI in private equity and the Standards Board for Alternative Investments annual meeting.

The Head of Engagement for the Commissioners (& Church of England Pensions Board) has worked intensively with the PRI Secretariat on housing the Transition Pathway Initiative in the PRI Secretariat.

The Deputy Head of Engagement was a member of the PRI advisory committee on corporate tax engagement and is a member of the corporate tax engagement programme and leads on two companies. She is also a member of the PRI ESG engagement advisory committee and contributed to the PRI publication 'A Practical Guide to Active Ownership in Listed Equity' developed during 2017.

The Commissioners continue to encourage asset managers to join PRI and participate in PRI activities.

☐ Asian Corporate Governance Association

☐ Australian Council of Superannuation Investors

☐ AFIC – La Commission ESG

☐ 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]

The Commissioners are CDP Climate Change investor signatories and encourage our managers to be signatories too.

☑ CDP Forests

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	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 CDP Forests 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 CDP Water investor signatories and supporters of a Church Investors Group engagement programme on CDP Water disclosure.

☐ 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)

	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 Head of Responsible Investment spoke at a CII side event on the Exxon shareholder proposal in Washington DC in February 2017.

☐ Eumedion

☑ Extractive Industries Transparency Initiative (EITI)

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	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]

Strong support for EITI is stated in the Extractive Industries Policy and Advisory Paper launched by the Church of England National Investing Bodies and Ethical Investment Advisory Group in 2017. We are also supportive of EITI in our engagement with companies.

☐ ESG Research Australia

☐ EVCA – Responsible Investment Roundtable

☐ 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 Shareholder Resolutions Sub-Group and actively participates in the IIGCC's co-ordination of member engagement on climate change issues. We encourage asset managers to join IIGCC, both our managers and those we meet on climate change. We are advocates of IIGCC in our communications (e.g. Annual Report, Twitter, presentations).

☑ Interfaith Center on Corporate Responsibility (ICCR)

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

☑ Basic

☐ Moderate

☐ Advanced

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	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 2017 AGM as part of the Carbon Asset Risk programme. The Commissioners were co-lead filers, with New York State Common Retirement Fund the lead co-filers. This collaboration with Ceres will continue on Exxon through Climate Action 100+.

☐ 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

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	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 Policy Committee and contributes actively to the development of UKSIF's public policy positions.

☐ Responsible Finance Principles in Inclusive Finance

☑ Shareholder Association for Research and Education (Share)

	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 beneficiaries of the Church Investors Group partnership arrangement with SHARE. The Commissioners' Head of Responsible Investment spoke by Skype on oil and gas industry engagement at a SHARE conference in 2017. He also liaised with SHARE about one of their member's co-filing of the Exxon resolution.

☐ 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 served as Vice-Chair of the Church Investors Group and was 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

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	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. A meeting of the group was held in Berlin in conjunction with PRI in Person.

☑ 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 Research Institute at the London School of Economics and FTSE Russell. At the end of 2017 we had asset owner and asset manager supporters with over £5 trillion of assets. The assessments of corporate alignment with the transition to a low carbon economy are available for all investors to use free of charge via the TPI website hosted by the LSE.

☑ Other collaborative organisation/initiative, specify

Climate Action 100+

	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 have signed up to play a leading role on two Climate Action 100+ engagements, one European and one US. We have encouraged asset managers to participate in the initiative and have been advocates in our communications (e.g. Twitter, presentations).

SG 10	Mandatory	Public	Core Assessed	PRI 4

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

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SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

☑ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description

The Church Commissioners provide frequent peer to peer RI support and are regularly approached by asset owners and asset managers to discuss RI. We are active members of the informal UK pension fund RI round table which provides peer support on RI for UK pension funds. Similarly we provide peer to peer support on RI through the Church Investors Group for smaller church investors. Increasingly the CIG and the Commissioners individually are involved in supporting ex-UK church investors. The Commissioners' Head of Responsible Investment has provided support for reviews of RI practice with a focus on climate change by the Anglican Church in Canada, Cambridge University, the Church of Scotland and the Scottish Episcopal Church. He also sits on the University of Oxford SRI Review Committee.

	Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Provided financial support for academic or industry research on responsible investment

	Description

The Commissioners are major funders of the Transition Pathway Initiative which we co-founded. This is generating new research into the alignment of companies' long-term future carbon emissions with the Paris Agreement's 2 degree goal and the Nationally Determined Contributions of signatory governments, as well as a ready reckoner on companies' management quality on climate change. The research and analysis is all available free of charge on the TPI website.

	Frequency of contribution

- ○ Quarterly or more frequently
- ○ Biannually
- ◉ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Provided input and/or collaborated with academia on RI related work

	Description

The Transition Pathway Initiative which the Commissioners co-founded.is a collaboration with the Grantham Research Institute at the London School of Economics. We have had significant input into the

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methodology. Our Head of Engagement co-chairs the initiative. In all three members of our RI team sit on the steering committee and provide input to its work.

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

The Church Commissioners encourage better transparency and disclosure of RI practices from all our investment managers - RI reporting is one of the categories of RI practice we assess in our RI rating system and on which we encourage progress by our managers. All our managers must meet a minimum standard of transparency.

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Spoke publicly at events and conferences to promote responsible investment

Description

The Commissioners are very frequent speakers at events and conferences on RI. Our Head of Responsible Investment's speaking engagements in 2017 included RI Europe, Impact Capitalism Summit, CII, SBAI, AIMSE, JustShare, MJ Hudson and Cambridge University. The Head and Deputy Head of our Engagement Team also speak frequently at events and conferences e.g. Green Equity Conference, PRI in Person.

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Wrote and published in-house research papers on responsible investment

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Description

The Transition Pathway Initiative publishes regular sector reports when new assessments and analysis are released. New ethical investment policies are typically accompanied by detailed papers from the Church of England Ethical Investment Advisory Group on the RI issue at hand - in 2017 a new policy and detailed paper on the extractive industries was published. The Ethical Investment Advisory Group produces an annual review on RI issues.

Frequency of contribution

- ○ Quarterly or more frequently
- ◉ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Encouraged the adoption of the PRI

Description

All the Commissioners' managers and prospective managers are asked whether they are PRI signatories and the Commissioners advocate membership and/or adoption of the PRI Principles. The key PRI Principles are embedded into our RI Framework and its six categories of RI practice against which all our managers and prospective managers are assessed.

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

The Transition Pathway Initiative, co-chaired by the Church Commissioners, responded to the consultation on the draft FSB TCFD recommendations.

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Frequency of contribution

- ○ Quarterly or more frequently
- ○ Biannually
- ◉ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ Wrote and published articles on responsible investment in the media

Description

The Commissioners are regularly interviewed in the investment trade press and general media on RI issues, and also write and publish articles and letters to the editor (e.g. Responsible Investor features).

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ A member of PRI advisory committees/ working groups, specify

Description

The Head of RI is on the hedge funds advisory committee. The Deputy Head of Engagement was a member of the PRI advisory committee on corporate tax engagement and is now on the corporate tax working group. She is also a member of the PRI ESG engagement advisory committee.

Frequency of contribution

- ◉ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

☑ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

The Head of RI is on the UKSIF policy committee and IIGCC policy group. The Head of Engagement is on the IIGCC corporate group. The Head of RI is on the Oxford University SRI Review Committee. The Deputy Head of Engagement is on the Board of the Church Investors Group. Three members of the RI team are on the steering group of the Transition Pathway Initiative.

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	Frequency of contribution

◉ Quarterly or more frequently

○ Biannually

○ Annually

○ Less frequently than annually

○ Ad hoc

○ Other

☐ 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 publicly and privately.

We remained particularly active on climate change in 2017 spearheading the defining climate change shareholder resolution of the year at ExxonMobil and launching the Transition Pathway Initiative.

Our RI Framework encourages 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.

The Commissioners, through the participation of the Deputy Head of Engagement, contributed to the PRI publication 'A Practical Guide to Active Ownership in Listed Equity'. Its recommendations can be applied to other asset classes such as corporate fixed income and private equity.

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4

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

SG 12.1	Indicate whether your organisation uses investment consultants.

☑ Yes, we use investment consultants

SG 12.2	Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

☐ We use investment consultants in our selection and appointment of external managers

☐ We use investment consultants in our monitoring of external managers

☑ We do not use investment consultants for selection, appointment and monitoring of external managers.

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SG 12.4	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

☐ Custodial services

☐ Investment policy development

☐ Strategic asset allocation

☑ Investment research

	Describe how responsible investment is incorporated

The Church Commissioners do not use an overarching investment consultant. We use a generalist investment consultant for external input on strategic investment issues, and particular pieces of research. We use specialist consultants if we need support on a specific asset class or project. RI support regularly features in our uses of consultants. For example, we met with our generalist consultant in 2017 to run through their view of the impact investment landscape. We have an ongoing relationship with Mercer on climate change and investment research through the Future Makers Working Group. We engaged an ESG research consultant throughout 2017 in support of work the Transition Pathway Initiative.

☐ Other, specify (1)

☐ Other, specify (2)

☐ Other, specify (3)

☐ None of the above

☐ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

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

SG 13.1	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 consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

	Is this scenario analysis based on a 2°C or lower scenario?

◉ Yes

○ No

☐ We execute other scenario analysis, specify

☐ We do not execute such scenario analysis and/or modelling

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SG SG 13.1a CC	Pleased describe the resilience of your organisation's strategy, considering different future climate scenarios.

Strategy affected	Changes to strategy	Description of scenario and time-horizon	How analysis has been used
Strategic Asset Allocation	No changes to strategy required but ongoing consideration occurs of the resilience of the Commissioners' portfolio to climate change risks and opportunities(especially transition risk).	In order to enhance our understanding of our exposure to climate risk, we commissioned investment consultants Mercer to conduct climate scenario analysis on our portfolio in 2015. This assessed our portfolio against a range of climate change scenarios, which modelled the investment impacts of a global average temperature rise of 2, 3 and 4 degrees Celsius by 2100. The assessment found that the Commissioners' strategy of portfolio diversification was supportive of resilience in all four climate scenarios, including the 2 degrees scenario. In such a 'Transformation' scenario aligned with the goal of the Paris Agreement, the Commissioners' investments in developed market equities (including UK equities) were expected to be negatively impacted by a rapid transformation of the economy but this was offset considerably by the positive expected impact on returns for emerging market equities, property, timber and infrastructure.	Mercer's analysis was presented to the Assets Committee. The continued climate resilience of our portfolio is considered using the Mercer analysis. In the time since the analysis was conducted in 2015, the Commissioners have increased our exposure, for broader risk management reasons, to assets that are not expected to be sensitive to the risks posed by climate change, namely developed market sovereign bonds, multi-asset strategies and cash.

SG 13.2	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

☑ Allocation between asset classes

☐ Determining fixed income duration

☑ Allocation of assets between geographic markets

☑ Sector weightings

☐ Other, specify

☐ We do not consider ESG issues in strategic asset allocation

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SG 13.3	Additional information. [OPTIONAL]

Strategic asset allocation is reviewed against climate scenario analysis.

ESG risks are considered in relation to the geographical location of real assets investments, especially social risks in developing countries e.g. land rights. Our rural land and forestry investments are exclusively in developed markets.

We monitor the extent of our low carbon investments and the balance of our investments between low carbon and traditional energy.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1

SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

Climate change scenario analysis is used to consider long-term portfolio resilience to climate risk, especially transition risk.

The Responsible Investment team closely follows ESG news flow, the emergence of new research and the work of peers to identify developments, industry views and best practice thinking on short and medium term ESG risks and opportunities. Concern in and comment from the wider Church is extremely helpful in identifying new or growing ESG issues, and we find that Church concern is a very good indicator for us of ESG risks to focus on. ESG risks identified by both routes could impact the Commissioners reputationally or financially, or both.

We have outstanding investment professionals serving as trustees and they are an important resource for identifying ESG risks.

SG 14.1 CC	Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

Climate change scenario analysis is used to consider long-term portfolio resilience to climate risk, especially transition risk.

The Investment team closely follows climate-related news flow, the emergence of new research and the work of peers to identify developments, industry views and best practice thinking on short and medium-term climate risks and opportunities, and their management. The investment professionals who serve as our trustees are also an important resource for identifying climate risks. Finally, growing concern in, and comment from, the wider Church is a good indicator of the growing risks of climate change, the potential for rapid shifts in the policy or technology landscape, and the dangers of climate-related physical, environmental, social and political impact. ESG risks identified by any of these routes could impact the Commissioners reputationally or financially, or both.

In terms of data analysis, the Commissioners use data from a third party to monitor the carbon footprint of as much as possible of our public equities portfolio and to make a comparison against our blended UK/global listed equities benchmark, as well as Transition Pathway Initiative data.

We monitor the proportion low carbon investments in our portfolio and the balance of investments in low carbon and traditional energy.

SG 14.2	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 and related issues

SG 14.2a cc	Please describe how you define “short”, “medium” and “long term”, and describe your material climate-related issues over these time horizons.

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	Definition	Description of material climate-related issues
Short term	1-2 years	Drought, flooding, extreme weather events, valuation of fossil fuel-related assets, valuation of low carbon assets, carbon pricing, other climate-related policy changes, stakeholder concern.
Medium term	3-5 years	Same as short term. In addition, portfolio companies' climate strategy, disclosure, carbon intensity & alignment with transition, strategic asset allocation.
Long term	5 years+	Same as medium term. In addition, severe physical, environmental, social, economic and/or political damage impacting fabric of society and asset values.

SG 14.3 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 14.4 Indicate which of the following tools you use to manage emissions risks and opportunities

- ☑ Scenario analysis
- ☑ Disclosure on emissions risk to clients/trustees/management/beneficiaries
- ☐ Climate-related targets
- ☑ Encourage internal and/or external portfolio managers to monitor emissions risk
- ☐ Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- ☐ Weighted average carbon intensity
- ☑ Carbon footprint (scope 1 and 2)
- ☐ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☑ Carbon intensity
- ☐ Exposure to carbon-related assets
- ☐ Other emissions metrics
- ☑ Other, specify

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	other description

We actively engage with investee companies in high carbon sectors on climate change including filing shareholder resolutions.

☐ None of the above

☑ Resource scarcity

☐ Technology developments

☐ Other, specify(1)

☐ Other, specify(2)

☐ None of the above

SG 14.4a CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Carbon footprint (scope 1 and 2)	As much as possible of our public equities portfolio	Understanding carbon footprint of listed equities portfolio relative to benchmark, understanding carbon footprint trends, gaining insight into carbon risk exposure, facilitating management of carbon risk, manager monitoring and public disclosure	tonnesof carbondioxide equivalent per £1 million of corporate revenue	Data feed from Trucost into Style Research portfolio analysis system	Falling 2011-2015 and rising 2016-17 for both our portfolio and our benchmark	Data may be inaccurately reported by companies or inaccurately estimated by data provider. Footprint can be disproportionately influenced by a small number of holdings or even a single holding. Doesn't give an overall carbon footprint or emissions per unit of capital invested. Susceptible to commodity price fluctuations. Scope 3 emissions not incorporated. Snapshot in time, backward looking.
Carbon intensity	Transition Pathway Initiative listed equity universe	Understanding alignment of companies highly exposed to transition risk with the transition to a low carbon economy, gaining insight into decarbonisation trends and adequacy of public policy, measuring effectiveness of engagement, supporting decisions on possible further climate-related divestment	Tailored for each sector using a sectoral decarbonisation approach	Analysis is conducted by LSE Grantham Institute using information publicly disclosed by companies	Too early to say - TPI was only launched in 2017. That said the lack of corporate alignment and government policy alignment with a 2 degrees pathway is already clear.	Lack of disclosure by companies means that future carbon intensity cannot be forecast for many of the companies within the TPI universe. Data that is disclosed may be inaccurate or inaccurately interpreted by research partner. Companies may not achieve the future carbon intensity targets that they have set and that the future carbon performance projections are based on.

SG 14.5 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 relative carbon intensity in our listed equities portfolio. We use Transition Pathway Initiative analysis to monitor companies' alignment with the transition to a low carbon economy.

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SG 14.6	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 14.7 CC	Describe your risk management processes for identifying, assessing, and managing climate-related risks.

☑ Our process for climate-related risks is integrated into overall risk management

	Please describe

The loss of Church and in particular Synod confidence over the Commissioners' approach to fossil fuels and climate change features as a risk on the Assets Committee's risk register and the status of the risk and its mitigations are reviewed for each Assets Committee meeting. Individual relevant investment decisions are reviewed against our climate-related policies and this risk.

Managers' rationales for holding securities associated with higher climate risk, and any active ownership activity on the holdings, are regularly discussed in manager monitoring interactions.

Description may include:

- How you determine the significance of climate-related risks in relation to other risks.
- Whether you consider existing and emerging regulatory requirements related to climate change.
- A description of processes for assessing the potential size and scope of identified climate-related risks.
- Definitions of risk terminology used or references to existing risk classification frameworks used.
- How decisions to mitigate, transfer, accept and/or control climate-related risks are made in managing processes.

☐ Our process for climate-related risks is not integrated into our overall risk management

SG 14.8 CC	Describe your processes for prioritising climate-related risks.

Our processes for prioritising climate-related risks are iterative, incorporating Assets Committee discussion, consideration with the Commissioners' CEO and Director of Investments, and working level exchanges between asset class teams, the Head of Responsible Investment and the Engagement Team. Priorities are formalised in regular meetings between the national investing bodies CEOs, between the Director of Investments and the Head of Responsible Investment, and between the Head of Responsible Investment and the Engagement Team.

SG 14.9 CC	Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

☑ Yes

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	Please describe

Climate change is the highest priority issue for our engagement programme. The Church Commissioners have been at the forefront of successful shareholder proposals encouraging better corporate disclosure and practices around climate-related risks - at BP and Royal Dutch Shell in 2015, Anglo American, Glencore and Rio Tinto in 2016, and ExxonMobil in 2017. We now have a systematic engagement programme to encourage better corporate management quality on climate change and better future carbon performance, built around the assessments of the Transition Pathway Initiative. Finally we are supporters of the global Climate Action 100+ initiative and will be leading one European and one North American engagement.

The Church Commissioners also encourage engagement on climate change by our asset managers. Climate change active engagement features on our RI ratings system and in dialogue with managers on their RI practice.

Describe these engagement activities.

Specific Guidance:

Investment Managers

You may like to include a description on how you identify and assess material climate-related risks for each product or investment strategy.

☐ No, we do not engage

SG 14.10 CC	Describe how you use data from climate-related disclosures.

Data from climate-related corporate disclosure directly feeds both Trucost carbon footprint analysis and Transition Pathway Initiative management quality and future carbon performance assessment.

We engage with companies and industry associations where disclosure is inadequate to facilitate TPI assessment or where companies are assessed as laggards.

Detailed company disclosures - including annual reports, sustainability reports, climate strategy reports, scenario reports and investor presentations - are used for in depth company engagements.

SG 15	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 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	%

8

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SG 15.3	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

	% of AUM

0.4

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

	% of AUM

0.07

☐ Hedge funds

☐ Forestry

☐ Farmland

☐ Cash

☐ Other (1)

☐ Other (2)

	Brief description and measures of investment

A £34m investment in Impax Environmental Markets, an investment trust invested in companies involved in clean technology and environmental and energy efficiency solutions.

A commitment to a US anaerobic digestion and waste treatment infrastructure fund with £6m capital from us invested so far.

☐ Green buildings

☑ Sustainable forestry

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	Asset class invested

☐ Listed equity
☐ Fixed income - SSA
☐ Fixed income - Corporate (financial)
☐ Fixed income - Corporate (non-financial)
☐ Fixed income - Securitised
☐ Private equity
☐ Property
☐ Infrastructure
☐ Hedge funds
☑ Forestry

	% of AUM

3

☐ Farmland
☐ Cash
☐ Other (1)
☐ Other (2)

	Brief description and measures of investment

The Commissioners have a £256m 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

	% of AUM

4.85

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☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☐ Infrastructure

☐ Hedge funds

☐ Forestry

☐ Farmland

☐ Cash

☐ Other (1)

☐ Other (2)

	Brief description and measures of investment
	The Commissioners have a £403m equities portfolio managed by Generation Investment Management, which has a long term investment approach integrating sustainability factors directly into the investment process.

○ No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General

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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	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. 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. 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.
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]	**Strategic land** Strategic land is rural land in the UK for which the Commissioners seek planning permission for development, typically for housing. 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. The Commissioners make sure that they are always present at community consultation events. 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. Land is assessed for flood risk before the Commissioners acquire it, including taking into account risks posed by climate change.

SG 17	Mandatory	Public	Descriptive	General

SG 17.1	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.

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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Managers are assessed using our manager ratings system under our Responsible Investment Framework.
Hedge funds - DDQ	Select whether you use the PRI Hedge Fund DDQ ○ Yes ◉ No
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. We continue to use our hedge funds policy diligence system and RI DDQ rather than the PRI Hedge Fund DDQ because our diligence system is more detailed and tailored to our specific ethical and RI needs.
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 18	Voluntary	Public	Descriptive	General

SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

◉ Yes

SG 18.2 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 modelled a new kind of institutional investor active stewardship involving attendance at AGMs and filing stretching shareholder resolutions. This approach to climate engagement is now embedded into the IIGCC corporate group and Climate Action 100+ both of which we are active participants in.
- The ExxonMobil climate scenario analysis resolution achieved an unprecedented demonstration of investor support for climate risk reporting. The resolution was passed with 62% support at Exxon's 2017 shareholders' meeting - an unparalleled vote at an oil and gas supermajor on a contested ESG resolution.
- The Transition Pathway Initiative 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.

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- The Mining and Faith Reflections Initiative is the result of a group of 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.
- We have developed a new approach to ethical screening in the alcohol sector which 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 formed the basis of engagement with UK-listed alcohol producers and retailers that led to important policy changes at major companies. We are now extending 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.

The response to this indicator could relate to any aspects of your responsible investment processes, activities, outputs or outcomes that you consider to represent significant developments and progress in the practice of responsible investment in general or in a particular market or asset class.

Illustrative examples include:

- the introduction of longer holding periods (or portfolio turnover limits) to encourage longer-term thinking;
- new ways of delivering information or reports to clients;
- the development of innovative KPIs or performance measurement tools (e.g., to track the carbon intensity or other ESG characteristics of portfolios or to link these to financial performance);
- the use of new engagement approaches that deliver better ESG or financial outcomes; and/or
- new partnerships or collaborations.

○ No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6

SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

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Listed equity - Engagement

○ We do not disclose to either clients/beneficiaries or the public.

○ We disclose to clients/beneficiaries only.

◉ We disclose to the public

The information disclosed to clients/beneficiaries is the same

◉ Yes

○ No

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PRI Principles for Responsible Investment

Disclosure to public and URL

Disclosure to public and URL
☑ Details on the overall engagement strategy
☑ Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
☑ Number of engagements undertaken
☑ Breakdown of engagements by type/topic
☐ Breakdown of engagements by region
☐ An assessment of the current status of the progress achieved and outcomes against defined objectives
☑ Examples of engagement cases
☑ Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
☐ Details on whether the provided information has been externally assured
☑ Outcomes that have been achieved from the engagement
☐ Other information

Frequency
☐ Quarterly or more frequently
☑ Biannually
☐ Annually
☐ Less frequently than annually
☐ Ad-hoc/when requested

URL
https://www.churchofengland.org/sites/default/files/2018-01/Engagement%20Voting%20and%20Screening%20Report%202017%20Half%20Year.Web_211217_FINAL4AM.pdf

URL
https://www.churchofengland.org/sites/default/files/2018-03/CC-Voting-Screening-2017.pdf

Listed equity – (Proxy) Voting
○ We do not disclose to either clients/beneficiaries or the public.
○ We disclose to clients/beneficiaries only.
◉ We disclose to the public

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PRI Principles for Responsible Investment

The information disclosed to clients/beneficiaries is the same

◉ Yes

○ No

Disclosure to public and URL

Disclosure to public and URL

○ Explain all voting decisions

◉ Explain some voting decisions

○ Only explain abstentions and votes against management

○ No explanations provided

Frequency

☐ Quarterly

☑ Biannually

☐ Annually

☐ Less frequently than annually

☐ Ad hoc/when requested

URL

https://www.churchofengland.org/sites/default/files/2018-01/Engagement%20Voting%20and%20Screening%20Report%202017%20Half%20Year.Web_211217_FINAL4AM.pdf

URL

https://www.churchofengland.org/sites/default/files/2018-03/CC-Voting-Screening-2017.pdf

Property

○ We do not disclose to either clients/beneficiaries or the public.

○ We disclose to clients/beneficiaries only.

◉ We disclose to the public

The information disclosed to clients/beneficiaries is the same

◉ Yes

○ No

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PRI Principles for Responsible Investment

Disclosure to public and URL

Disclosure to public and URL

☑ 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

Frequency

☐ Quarterly or more frequently

☐ Biannually

☑ Annually

☐ Less frequently than annually

☐ Ad-hoc/when requested

URL

https://www.churchofengland.org/sites/default/files/2018-03/Public_PRI_Transparency_Report_Church%20Commissioners%20for%20England_2017.pdf

Selection, Appointment and Monitoring

○ We do not disclose to either clients/beneficiaries or the public.

○ We disclose to clients/beneficiaries only.

◉ We disclose to the public

The information disclosed to clients/beneficiaries is the same

◉ Yes

○ No

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PRI Principles for Responsible Investment

Disclosure to public and URL

	Disclosure to public and URL

☑ 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/or active ownership

☐ Other

	Frequency

☐ Quarterly or more frequently

☐ Biannually

☑ Annually

☐ Less frequently than annually

☐ Ad-hoc/when requested

	URL

https://www.churchofengland.org/sites/default/files/2018-03/Public_PRI_Transparency_Report_Church%20Commissioners%20for%20England_2017.pdf

	URL

https://www.churchofengland.org/sites/default/files/2017-10/church_commissioners_annual_report_2016_0.pdf

Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1

SAM 01.1	Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

	Active investment strategies

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Active investment strategies	Listed Equity	FI - SSA		FI - Corporate (non-financial)	
Screening	☐	☐		☐	
Thematic	☐	☐		☐	
Integration	☑	☑		☑	
None of the above	☐	☐		☐	

Passive investment strategies

Passive investment strategies	Listed Equity				
Screening	☑				
Thematic	☐				
Integration	☐				
None of the above	☐				

SAM 01.2 Additional information. [Optional]

Screening: Almost all of our listed equity and fixed income investments are in screened segregated mandates or screened pooled funds, but not all. Where a manager is unable to provide a screened segregated mandate or a sceened pooled fund, we require regular reporting of any indirect exposure to restricted investments and continue to work to achieve a screened solution.

Thematic: In listed equities we have one thematic segregated mandate (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 02	Mandatory	Public	Core Assessed	PRI 1

SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

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	LE	FI - SSA		FI - Corporate (non-financial)		Private equity	Property	Infrastructure
Investment strategy and how ESG objectives relate to it	☑	☑		☑		☑	☑	☑
ESG incorporation requirements	☑	☑		☑		☑	☑	☑
ESG reporting requirements	☑	☑		☑		☑	☑	☑
Other	☑	☑		☑		☑	☑	☑
No RI information covered in the RFPs	☐	☐		☐		☐	☐	☐

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

Strategy

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	LE	FI - SSA		FI - Corporate (non-financial)		Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	☑	☑		☑		☑	☑	☑
Assess the quality of investment policy and its reference to ESG	☑	☑		☑		☑	☑	☑
Assess the investment approach and how ESG objectives are implemented in the investment process	☑	☑		☑		☑	☑	☑
Review the manager's firm-level vs. product-level approach to RI	☑	☑		☑		☑	☑	☑
Assess the ESG definitions to be used	☑	☑		☑		☑	☑	☑
Other	☑	☑		☑		☑	☑	☑
None of the above	☐	☐		☐		☐	☐	☐

ESG people/oversight

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	LE	FI - SSA		FI - Corporate (non-financial)?		Private equity	Property	Infrastructure
Assess ESG expertise of investment teams	☑	☑		☑		☑	☑	☑
Review the oversight and responsibilities of ESG implementation	☑	☑		☑		☑	☑	☑
Review how is ESG implementation enforced /ensured	☑	☑		☑		☑	☑	☑
Review the manager's RI-promotion efforts and engagement with the industry	☑	☑		☑		☑	☑	☑
Other	☑	☑		☑		☑	☑	☑
None of the above	☐	☐		☐		☐	☐	☐

Process/portfolio construction/investment valuation

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	LE	FI - SSA		FI - Corporate (non-financial)?		Private equity	Property	Infrastructure
Review the process for ensuring the quality of the ESG data used	☑	☑		☑		☑	☑	☑
Review and agree the use of ESG data in the investment decision making process	☑	☑		☑		☑	☑	☑
Review and agree the impact of ESG analysis on investment decisions	☑	☑		☑		☑	☑	☑
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	☑	☑		☑		☑	☑	☑
Review and agree manager's ESG risk framework	☑	☑		☑		☑	☑	☑
Review and agree ESG risk limits at athe portfolio level (portfolio construction) and other ESG objectives	☐	☐		☐		☐	☐	☐
Review how ESG materiality is evaluated by the manager	☑	☑		☑		☑	☑	☑
Review process for defining and communicating on ESG incidents	☑	☑		☑		☑	☑	☑
Review and agree ESG reporting frequency and detail	☑	☑		☑		☑	☑	☑
Other, specify	☑	☑		☑		☑	☑	☑
None of the above	☐	☐		☐		☐	☐	☐

	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 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.

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SAM 02.3 Indicate the selection process and its ESG/RI components

☑ Review ESG/RI responses to RfP, RfI, DDQ etc.

☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)

☑ Review publicly available information on ESG/RI

☑ Review assurance process on ESG/RI data and processes

☑ Review PRI Transparency Reports

☑ Request and discuss PRI Assessment Reports

☑ Meetings with the potential shortlisted managers covering ESG/RI themes

☑ Site visits to potential managers offices

☐ Other, specify

SAM 02.4 When selecting external managers does your organisation set any of the following:

	LE	FI - SSA		FI - Corporate (non-financial)?		Private equity	Property	Infrastructure
ESG performance development targets	☐	☐		☐		☐	☐	☐
ESG score	☑	☑		☑		☑	☑	☑
ESG weight	☐	☐		☐		☐	☐	☐
Real world economy targets	☐	☐		☐		☐	☐	☐
Other RI considerations	☑	☑		☑		☑	☑	☑
None of the above	☐	☐		☐		☐	☐	☐

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 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[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

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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.

Appointment

SAM 04	Mandatory	Public	Core Assessed	PRI 1

SAM 04.1

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 and/or commitment process

☑ Sets standard benchmarks or ESG benchmarks

☑ Defines ESG objectives

☑ Sets incentives and controls linked to the ESG objectives

☑ Requires reporting on ESG objectives

☐ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards

☐ None of the above

☐ None of the above, we invest only in pooled funds and have a thorough selection process

SAM 04.2

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

☑ ESG benchmark, specify

Customised UK benchmark which excludes our ethical restrictions and investment trusts

ESG Objectives

☐ ESG related strategy, specify

☑ ESG related 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.

☑ ESG integration, specify

Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI

☐ Engagement, specify

☑ 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.

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☐ Promoting responsible investment

☐ ESG specific improvements

☐ Other, specify

Incentives and controls

☐ Fee based incentive

☑ Communication and remedy of breaches

☑ Termination

☑ No fee/ breach of contract

Reporting requirements

○ Monthly

○ Quarterly

○ Bi-annually

○ Annually

◉ Ad-hoc/when requested

☑ Fixed income - SSA (SSA)

Benchmark

☑ Standard benchmark, specify

Unconstrained

☐ ESG benchmark, specify

ESG Objectives

☐ ESG related strategy, specify

☑ ESG related investment restrictions, specify

Implementation of our investment restrictions relating to sovereign debt of oppressive regimes or reporting on indirect exposure to it.

☐ ESG integration, specify

☐ Engagement, specify

☐ Voting, specify

☐ Promoting responsible investment

☐ ESG specific improvements

☐ Other, specify

Incentives and controls

☐ Fee based incentive

☐ Communication and remedy of breaches

☐ Termination

☑ No fee/ breach of contract

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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

ESG Objectives

☐ Other, specify

☐ ESG related strategy, specify

☑ ESG related 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.

☑ ESG integration, specify

Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI

☐ Engagement, specify

☐ Voting, specify

☐ Promoting responsible investment

☐ ESG specific improvements

Incentives and controls

☐ Fee based incentive

☑ Communication and remedy of breaches

☑ Termination

☑ No fee/ breach of contract

Reporting requirements

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

☑ Private equity

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PRI Principles for Responsible Investment

Benchmark

☑ Standard benchmark, specify

N/A

☐ ESG benchmark, specify

ESG Objectives

☐ ESG related strategy, specify

☑ ESG related 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.

☑ ESG integration, specify

Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI

☐ Engagement, specify

☐ Voting, specify

☐ Promoting responsible investment

☐ ESG specific improvements

Incentives and controls

☐ Fee based incentive

☑ Communication and remedy of breaches

☐ 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

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PRI Principles for Responsible Investment

ESG Objectives

☐ Other, specify

☐ ESG related strategy, specify

☑ ESG related 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.

☑ ESG integration, specify

Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI

☐ Engagement, specify

☐ Voting, specify

☐ Promoting responsible investment

☐ ESG specific improvements

Incentives and controls

☐ Fee based incentive

☑ Communication and remedy of breaches

☐ Termination

☑ No fee/ breach of contract

Reporting requirements

○ Monthly

○ Quarterly

○ Bi-annually

○ Annually

◉ Ad-hoc/when requested

☑ Infrastructure

Benchmark

☑ Standard benchmark, specify

N/A

☐ ESG benchmark, specify

ESG Objectives

☐ Other, specify

☐ ESG related strategy, specify

☑ ESG related 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 (particular focus on coal and oil sands restrictions)

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PRI Principles for Responsible Investment

☑ ESG integration, specify

Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI

☑ Engagement, specify

Monitoring and management of ESG issues during operation of infrastructure.

☐ Voting, specify

☐ Promoting responsible investment

☐ ESG specific improvements

Incentives and controls

☐ Fee based incentive

☑ Communication and remedy of breaches

☐ Termination

☑ No fee/ breach of contract

Reporting requirements

○ Ad-hoc/when requested

◉ Annually

○ Bi-annually

○ Quarterly

○ Monthly

SAM 04.4 Indicate 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

☑ Place investment manager on a “watch list”

☑ Track and investigate reason for non-compliance

☐ Re-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 ESG requirements are not met

SAM 04.5 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.

Monitoring

SAM 05	Mandatory	Public	Core Assessed	PRI 1

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PRI Principles for Responsible Investment

SAM 05.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - SSA		FI - Corporate (non-financial)		Private equity	Property	Infrastructure
ESG objectives linked to investment strategy	☑	☑		☑		☑	☑	☑
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	☑	☑		☑		☑	☑	☑
Compliance with investment restrictions and any controversial investment decisions	☑	☑		☑		☑	☑	☑
ESG portfolio characteristics	☐	☐		☐		☐	☐	☐
How ESG materiality has been evaluated by the manager in the monitored period	☑	☑		☑		☑	☑	☑
Information on any ESG incidents	☑	☑		☑		☑	☑	☑
Metrics on the real economy influence of the investments	☐	☐		☐		☐	☐	☐
PRI Transparency Reports	☑	☑		☑		☑	☑	☑
PRI Assessment Reports	☑	☑		☑		☑	☑	☑
RI-promotion and engagement with the industry to enhance RI implementation	☑	☑		☑		☑	☑	☑
Other general RI considerations in investment management agreements; specify	☐	☐		☐		☐	☐	☐
None of the above	☐	☐		☐		☐	☐	☐

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SAM 05.2	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	Infrastructure
ESG score	☑	☑		☑		☑	☑	☑
ESG weight	☐	☐		☐		☐	☐	☐
ESG performance minimum threshold	☑	☑		☑		☑	☑	☑
Real world economy targets	☐	☐		☐		☐	☐	☐
Other RI considerations	☐	☐		☐		☐	☐	☐
None of the above	☐	☐		☐		☐	☐	☐

SAM 05.3	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.

For example, if you require your external managers to undertake carbon portfolio monitoring, you are strongly encouraged to report this here.

Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6

SAM 09.1	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

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Topic or issue	Improving an existing manager's approach to climate change.
Conducted by	☑ Internal staff ☐ Investment consultants
Asset class	☐ All asset classes ☑ Listed Equity ☐ Fixed income – SSA ☐ Fixed income – corporate (non financial) ☐ Private equity ☐ Property ☐ Infrastructure
Scope and process	The manager had been improving their RI practice, including becoming more active on climate change. We encouraged the manager to support the Transition Pathway Initiative and join IIGCC as next steps in its engagement with the issue of climate change.
Outcomes	The manager became a supporter of the Transition Pathway Initiative and joined IIGCC.

☑ Add Example 2

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PRI Principles for Responsible Investment

Topic or issue	Incorporating ESG restrictions by an existing manager
Conducted by	☑ Internal staff ☐ Investment consultants
Asset class	☐ All asset classes ☑ Listed Equity ☐ Fixed income – SSA ☐ Fixed income – corporate (non financial) ☐ Private equity ☐ Property ☐ Infrastructure
Scope and process	We invest with the manager via a pooled fund but wanted the manager to provide the product in a form that incorporated our investment restrictions. We engaged extensively with the manager to encourage the identification of a solution.
Outcomes	The manager agreed in principle to develop a product that would enable us to access the strategy while having our investment restrictions respected.

☑ Add Example 3

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PRI Principles for Responsible Investment

Topic or issue	Improving ESG integration at an existing manager
Conducted by	☑ Internal staff ☐ Investment consultants
Asset class	☐ All asset classes ☑ Listed Equity ☐ Fixed income – SSA ☐ Fixed income – corporate (non financial) ☐ Private equity ☐ Property ☐ Infrastructure
Scope and process	This emerging markets manager had not systematically considered the incorporation of ESG issues into its investment process. We encouraged them to do so.
Outcomes	The manager developed a RI policy and incorporated ESG analysis into its investment evaluation process. It has also started to conduct ESG engagement.

☑ Add Example 4

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PRI Principles for Responsible Investment

Topic or issue	ESG due diligence in manager selection
Conducted by	☑ Internal staff ☐ Investment consultants
Asset class	☐ All asset classes ☐ Listed Equity ☐ Fixed income – SSA ☐ Fixed income – corporate (non financial) ☐ Private equity ☐ Property ☑ Infrastructure
Scope and process	We found a manager that looked promising in the energy infrastructure credit space but wanted to ensure they had sound ESG incorporation and active ownership. We got comprehensive answers to our ESG DDQ including a copy of the manager's ESG policy. We followed up asking for examples of ESG duel diligence, ESG covenants, ESG active ownership, and integration of ESG factors into financial modelling. Finally we sought assurances that we would not be exposed to investments relating to thermal coal mining or the production of oil from oil sands.
Outcomes	The manager provided comprehensive answers to our ESG DDQ and extensive follow-up evidence of ESG processes in practice. The manager confirmed that their strategy would not expose us to investments restricted on ESG grounds but also agreed to side letter excuse rights for our peace of mind. The manager went on to be rated a 'Good RI Practitioner' in our RI rating system and approved by trustees for appointment.

☑ Add Example 5

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PRI Principles for Responsible Investment

Topic or issue	ESG in manager appointment
Conducted by	☑ Internal staff ☐ Investment consultants
Asset class	☐ All asset classes ☐ Listed Equity ☐ Fixed income – SSA ☐ Fixed income – corporate (non financial) ☑ Private equity ☐ Property ☐ Infrastructure
Scope and process	This private equity fund was approved by trustees for investment subject to agreement of appointment terms. Discussion was required about incorporating our investment restrictions into excuse provisions in a side letter. The manager was sent details of our exclusions and incorporated them in side letter language that they could be confident of implementing accurately. The language was reviewed by the Chief Operating Officer and Head of Responsible Investment and suggestions for improvement made.
Outcomes	A side letter provision was agreed that fully incorporated our ESG restrictions.

☐ We are not able to provide examples

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 Attach or provide a URL to your engagement policy.

○ Attachment provided:

◉ URL provided:

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	URL

https://www.churchofengland.org/sites/default/files/2017-11/Statement%20of%20Ethical%20Investing%20Policy%20March%202017.pdf

LEA 01.3	Indicate what your engagement policy covers:

☐ Conflicts of interest

☐ Insider information

☐ Alignment with national stewardship code requirements

☐ Due diligence and monitoring process

☑ Prioritisation of engagements

☑ Transparency of engagement activities

☑ Environmental factors

☑ Social factors

☑ Governance factors

☐ Other, describe

☐ None of the above

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.

Guidance on this indicator available in Explanatory Notes.

○ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3

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

Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved/increased ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved/inreased ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved/increased ESG disclosure ☐ Other, specify ☑ We do not engage via service providers Please specify why your organisation does not engage via service providers. We have resourced a dedicated in-house engagement team that undertakes all engagement via lead or supporting roles in collaborative engagements and via individual engagements.

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

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

☑ Geography / market of the companies

☑ Materiality of ESG factors

☑ Systemic risks to global portfolios

☑ Exposure (holdings)

☑ In response to ESG impacts that have already occurred.

☑ As a response to divestment pressure

☐ Consultation with clients/beneficiaries

☐ Consultation with other stakeholders (i.e. NGOs, trade unions etc.)

☑ 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 three National Investing Bodies (including the Pensions Board and Church Commissioners), to other expertise.

A number of the policies that are developed that require engagement as a key aspect of policy implementation. For example, the responsible alcohol policy, climate change policy, corporate tax policy, extractive industries policy, corporate governance 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 (CIG) 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.

This past year we have additionally been engaging with companies that we vote against at company AGMs.

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.

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LEA 04.2	Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

◉ 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 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 your objectives

☑ Tracking and/or monitoring progress against defined objectives

☑ Tracking and or monitoring progress of actions taken when original objectives are not met

☑ Revisit and, if necessary, revise objectives on continuous basis

☐ Other, please specify

☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 04.4	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 database and monitoring system to track progress. In each policy area that we are engaging on, we have a specific overarching 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. This has meant resourcing a team of senior academics at LSE that have now assessed 138 companies in 6 key energy intensive sectors. We have also made the results of theis work freely available through an on-line portal to other investors.

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

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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 by the collaboration

☑ Materiality of ESG factors addressed by the collaboration

☑ Systemic risks to global portfolios addressed by the collaboration

☑ Exposure (holdings) to companies targeted by the collaboration

☑ In reaction to ESG impacts addressed by the collaboration that have already occurred.

☑ As a response to divestment pressure

☑ As a follow-up from a voting decision

☐ Consultation with clients/beneficiaries

☐ Consultation with other stakeholders (i.e. NGOs, trade unions etc.)

☐ 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 to report on progress.

In climate change for example our Trustee adopted policy specifically encourages a collaborative approach. This has resulted in the creation of the Transition Pathway Initiative (TPI) which is jointly chaired by the Commissioners and Church of England Pensions Board with the Environment Agency Pension Fund. TPI now has the support of funds with over US $7 trillion in AUM.

The extractive industries policy that was agreed in 2017 mandates further collaborative engagement on issues of joint ventures, tailings dams and IUCN catagorisation 1-3.

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.

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LEA 06.2	Indicate if you monitor the actions companies take during and 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 if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

☑ Define timelines for your objectives

☑ Tracking and/or monitoring progress against defined objectives

☑ Tracking and or monitoring progress of actions taken when original objectives are not met

☑ Revisit and, if necessary, revise objectives on continuous basis

☐ Other, please specify

☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 06.4	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 TPI or FTSE ESG ratings through our work via the Church Investors Group.

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 maximise our impact through effective targeting of our engagement and participation.

Since Q4 2016, 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. This analysis and subsequent engagement programs rely in the academic analysis of the London School of Economics - Grantham Research Institute using FTSE Russell climate change data.

May include a discussion of the following;

- How collaborative engagement objectives are defined.
- How progress of collaborative engagement activities are tracked, including how you monitor action taken by companies.
- How the decision to terminate or escalate a collaborative engagement programme or activity is made.
- How insights from collaborative engagement are incorporat3ed into investment decision-making.
- How lessons learned are tracked and integrated into future engagement programmes.
- Any relevant examples.

General processes for all three groups of engagers

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LEA 09	Mandatory	Public	Additional Assessed	PRI 1,2

LEA 09.1	Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	○ Yes, systematically ◉ Yes, occasionally ○ No
Collaborative engagements	○ Yes, systematically ◉ Yes, occasionally ○ No

LEA 09.2	Additional information. [Optional]

We discuss our engagement programmes with our investment managers - we are normally engaging as part of an ethical programme rather than for reasons of immediate financial materiality. When we are engaging intensively with an individual company about which we have deep and urgent concern we seek input from active managers holding the stock and share our insights with them. We are also keen to understand their view of the company and how they arrived at it and any contrasting aspects with our own assessment. We hold regular co-ordination meetings with the manager of our UK passive mandate to compare notes on engagements and share insights.

We actively participate in key investor forums such as PRI-in-Person, RI Europe, UKSIF and Church Investor Group annual conferences to share our experiences of engagement, or developing a particular policy, that may focus on engagement. We view this as an important way that we can share our insights much more broadly.

On our climate engagement we have been systematically sharing the results of TPI assessments with our managers and seeking feedback and insight on their engagement with companies.

May include a discussion of the following:

- How you decide what information to pass to investment decision-makers.
- What you expect investment decision-makers to do with the insights you pass on.
- How you monitor their use of insights you passed on.
- Whether ESG data collected through engagement feeds into an internal ratings tool/platform.

LEA 10	Mandatory	Public	Gateway	PRI 2

LEA 10.1	Indicate if you track the number of your engagement activities.

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Type of engagement	Tracking engagements
Individual / Internal staff engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ We do not track
Collaborative engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

We have developed an in-house engagement tracking database. This is regularly reviewed by the team and we report on progress of our engagement on a quarterly basis to Trustee Committees. We also report on our company engagements in our annual reports and through half yearly reports.

May include a discussion of the following:

- The systems in place to track engagement progress.
- A description of the information collected.
- How regularly tracking systems are updated and to whom this information is provided
- Any auditing procedures that occur.

(Proxy) voting and shareholder resolutions

Overview

LEA 15 | **Mandatory** | **Public** | **Core Assessed** | **PRI 1,2,3**

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

LEA 15.1 Indicate whether your organisation has a formal voting policy.

◉ Yes

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LEA 15.2	Indicate what your voting policy covers:

☐ Conflicts of interest

☐ Share blocking

☐ Securities lending process

☑ Prioritisation of voting activities

☑ Decision making processes

☑ Environmental factors

☑ Social factors

☑ Governance factors

☐ Filing/co-filing resolutions

☐ Extraordinary meetings

☑ Regional voting practices

☑ Transparency of proxy voting activities

☐ Company dialogue pre/post vote

☐ Other, describe

☐ None of the above

LEA 15.3	Attach or provide a URL to your voting policy. [Optional]

	URL

https://churchinvestorsgroup.org.uk/wp-content/uploads/public/CIG-2018-Voting-Policy-Summary.pdf

	Attach document

File 1:Executive Remuneration Policy.pdf

LEA 15.4	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.

Guidance on this indicator available in Explanatory Notes.

○ No

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Process

LEA 16	Mandatory	Public	Descriptive	PRI 2

LEA 16.1 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 16.2 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 bespoke 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 Deputy Head of Engagement or the Head of Engagement. Issues can then 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.

LEA 16.3 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.

May include a discussion of the following;

- Who is involved in making final voting decisions internally.
- Description of criteria used to review service provider's recommendations.
- Any examples of situations in which there is more than one decision-maker or when decisions are made jointly.

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LEA 20	Mandatory	Public	Core Assessed	PRI 2

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

LEA 20.1 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 20.2 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.
- ○ 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 20.3 Additional information. [Optional]

We do inform all constituents of the FTSE350 about our voting template ahead of the main voting season and seek broader publicity for the voting policy through targetted media that is read by investor relations. We also respond to requests from companies on particular votes. This year we have also formalised a governance engagement programme that will now directly follow up in detail with companies that are most clearly unaligned with our voting policy. They will be additionally monitored and engaged with.

You may like to include information on the criteria used to outline which companies are informed of voting decisions before or after voting takes place.

Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2

LEA 21.1 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

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Votes cast (to the nearest 1%)

%

100

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 21.2 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)

☐ On request by clients

☐ Other

○ We do not track or collect this information

LEA 21.3 Additional information. [Optional]

It is a priority for the Commissioners to vote all of our shares and every effort is made to achieve this.

LEA 22 | **Mandatory** | **Public** | **Additional Assessed** | **PRI 2**

LEA 22.1 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 22.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	83
Against (opposing) management recommendations	16
Abstentions	1

100%

LEA 22.3 Describe the actions you take in relation to 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.

May include a discussion of the following;

- How decision to vote against management is part of your engagement programme.
- How you communicate with interested companies before and after the vote.
- How you monitor a company's reaction and eventual changes to internal ESG ratings.
- How you communicate internally about the vote.

○ No, we do not track this information

LEA 22.4 Additional information. [Optional]

Please note that 1% of the FOR votes were related to resolutions on frequency of remuneration reports.

Overview

PR 01 | **Mandatory** | **Public** | **Core Assessed** | **PRI 1-6**

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

PR 01.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

◉ Yes

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PR 01.2	Provide a URL or attach the document

☑ URL

https://www.churchofengland.org/sites/default/files/2017-11/Property%20Investments%20Policy.pdf

☐ Attach Document

○ No

PR 01.3	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 04	Mandatory	Public	Gateway/Core Assessed	PRI 1

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

PR 04.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.

◉ Yes

PR 04.2	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.

PR 04.3	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

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	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) ratings

	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

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	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

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	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

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	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

○ No

PR 06	Mandatory	Public	Core Assessed	PRI 1

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

PR 06.1	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

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PR 06.2	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 06.3	Additional information.

The Commissioners undertook no property buying activity of any significant size during this reporting year on valuation grounds. The only purchasing activity was a small number of residential units on the Hyde Park Estate.

The Commissioners' typical practice where material ESG issues are identified would be 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 07	Mandatory	Public	Core Assessed	PRI 4

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

PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

◉ Yes

PR 07.2	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

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	Coverage

◉ >75% to 100%

○ >50% to 75%

○ >25% to 50%

○ >0% to 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% to 100%

○ >50% to 75%

○ >25% to 50%

○ >0% to 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% to 100%

○ >50% to 75%

○ >25% to 50%

○ >0% to 25%

○ No

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PR 07.3	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 (including health & safety, disability non-discrimination, environmental/sustainability policy, quality standards observed, equal opportunities & data protection). These issues are also considered 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, policies and practice in support of the eradication of modern slavery, health and safety management (including fire safety, a very high priority concern in 2017 residential property following the Grenfell Tower disaster), 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 08	Mandatory	Public	Gateway	PRI 2

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

PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

◉ Yes

PR 08.2	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 08.3	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 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.

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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 (see: https://www.hydeparkestate.com/#content/page/London's-Green-Estate). In 2017 we opened a major new garden in the Coniston Court development.

Other sustainability initiatives on the Estate include integrating a rainwater harvesting system into the Water Gardens refurbishment project and 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. Investment has been made in new railings, signage, restoring historical features and harmonising architectural detail. A historically sympathetic infill property was completed at our boutique retail destination on the Estate, Connaught Street, in 2017 where the original property had been destroyed in the Second World War.

The Commissioners seek to promote diversity in the team managing the Hyde Park Estate, both internally and via agents, and have a higher than average proportion of women in decision-making roles.

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

○ No

Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3

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

PR 09.1

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 09.2

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

☑ Environmental

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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 58 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 2017.
The Metrocentre is subject to our partner Intu's group recycling target of 75% of waste generated recycled by 2020.	63% of waste generated at group level was recycled in 2017.

☑ Social

Target/KPI	Progress Achieved
The Metrocentre is subject to our partner Intu's group long term commitment to support community issues relevant to customers.	In 2017 £1.9m in donations (including facilitated donations) was achieved (2016: £1.5m)

☐ Governance

☐ We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

Property developments and major renovations

PR 11 | **Mandatory** | **Public** | **Core Assessed** | **PRI 2**

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

PR 11.1 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)

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PR 11.2	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 11.3	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 12	Mandatory	Public	Core Assessed	PRI 2

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

PR 12.1	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

◉ 50-90% of occupiers

○ 10-50% of occupiers

○ <10% of occupiers

(in terms of number of occupiers)

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PR 12.2	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

Fire safety

PR 12.3	Additional information. [Optional]

Fire safety, following the Grenfell Tower disaster, was the biggest issue for the Commissioners' residential occupier engagement activity on the Hyde Park Estate in 2017, given we have high numbers of occupiers in high rise blocks. Key issues were reiterating the importance of both keeping communal areas clear of obstacles and maintaining fire resistant front doors. 1192 leaseholders were written to following the Grenfell Tower fire and sent a guide to fire safety. The Commissioners are undertaking a major programme, requiring a high level of occupier engagement, to ensure that occupier-installed front doors that do not meet fire standards are replaced with doors that do meet the required standards.

Quarterly newsletters continue to be sent out to Hyde Park Estate residents which regularly cover ESG issues - issues covered in 2017 included the Water Gardens project, security incidents, the Connaught Village Christmas Shopping Evening, licences to sub-let and resident surgeries. A guide was distributed to all tenants and leaseholders with tips on energy saving, waste reduction and recycling and a guide was produced on sustainable refurbishment practice. Our agents hold quarterly resident surgeries at the larger blocks on the Estate. Formal consultations are undertaken around development plans and all feedback recorded. Consultation drop-in events are also organised e.g. on the Water Gardens refurbishment in September 2017. Ad hoc meetings are held with individual tenants as required.

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

Community engagement

PR 14	Voluntary	Public	Additional Assessed	PRI 2

PR 14.1	Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.

○ >90% of property assets

◉ 50-90% of property assets

○ 10-50% of property assets

○ <10% of property assets

(in terms of number of property assets)

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PR 14.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.

☑ ESG education programmes for the community

☑ ESG enhancement programmes for public spaces

☑ Research and networking activities focusing on ESG issues

☑ Employment creation in communities

☑ Supporting charities and community groups

☑ Other, specify

Community consultation on proposed residential development.

PR 14.3	Additional information.

In both the residential and commercial portfolios, the Commissioners engage on a regular basis (at least biannually) with residents, tenants associations, retailers and local government representatives and discuss ongoing concerns, including environmental and social issues.

With regard to the Hyde Park Estate, in 2017 multiple meetings were held with the Hyde Park Estate Association, the Westminster Property Association, the Marble Arch Business Improvement District, the Hyde Park Square Garden Committee and the Gloucester Square Garden Committee. The Commissioners manned a stall at Horseman's Sunday and gave free books and stationery to local children. The Commissioners also funded and organised a community event on the Hyde Park Estate during Christmas 2017. Shopper satisfaction has been monitored previously using a shopper satisfaction survey. Stakeholder consultation feeds into our strategy for the Hyde Park Estate e.g. in our tenant mix strategy for the Connaught Village retail quarter.

The Commissioners' engagement with Westminster Council about the Hyde Park Estate has covered the provision of electric vehicle charging points and meeting the borough's housing needs. Joint investment has been made in public spaces, with the Commissioners and the Council co-funding new railings. In 2017 we contributed a submission to the Council's consultation on its City Plan. We also made submissions to the Greater London Authority consultation on its Transport Plan and to the Transport for London consultation on the Oxford Street Transformation plan.

The Metrocentre, managed by Intu Group, conducts wide-ranging community engagement activities. The Metrocentre has its own chaplain who serves retailers and shoppers alike, supported by volunteer part-time chaplains. The Metrocentre hosts charity collections at weekends at main entrance points and a charity barrow for the sale of goods, raffles or charity promotional purposes.

The Metrocentre has developed a travel plan which involves providing travel information to users of the Metrocentre to enable them to make an informed choice of how they travel to the centre. It also involves establishing and developing partnerships with the local authority, transport operators, businesses in the Metrocentre area, and others in promoting sustainable travel.

The Metrocentre has an extensive accessiblity programme including an assisted changing facility with track hoist, changing bench with shower and lima lift toilet; a Shopmobility scheme which offers 32 electric scooters and 50 wheelchairs, plus 24 parking bays for members; accompanied shopping for the blind or partially sighted; autism friendly shopping centre guides; and autism alert cards and awareness bands.

Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General

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

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CM 1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

☐ Third party assurance over selected responses from this year's PRI Transparency Report

☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year

☐ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)

☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)

☑ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)

- ◉ Whole PRI Transparency Report has been internally verified
- ○ Selected data has been internally verified

☐ Other, specify

☐ None of the above

CM 1 01.2 & 01.8	Mandatory	Public	Descriptive	

CM 1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?

○ Whole PRI Transparency Report will be assured

○ Selected data will be assured

◉ We do not plan to assure this year's PRI Transparency report

CM 1 01.3 & 01.9	Mandatory	Public	Descriptive	General

CM 1 01.3	We undertook third party assurance on last year's PRI Transparency Report

○ Whole PRI Transparency Report was assured last year

○ Selected data was assured in last year's PRI Transparency Report

◉ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM 1 01.4, 10-12	Mandatory	Public	Descriptive	General

CM 1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

☐ We adhere to an RI certification or labelling scheme

☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

☐ ESG audit of holdings

☐ Other, specify

☑ None of the above

CM 1 01.7	Mandatory	Public	Descriptive	General

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CM 1 01.7	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

☑ CEO or other Chief-Level staff

	Sign-off or review of responses

☑ Sign-off

☑ Review of responses

☐ The Board

☐ Investment Committee

☐ Compliance Function

☑ RI/ESG Team

☑ Investment Teams

☐ Legal Department

☐ Other (specify)

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