CLIMATE TRANSPARENCY REPORT 2020

Church Commissioners for England

PRI Principles for Responsible Investment

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-22F3ED87-8E48-4083-8E37-B26F0AAD1AC7/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as "private". Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation

Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Church Commissioners for England
Signatory Category	Endowment
Signatory Type	Asset Owner
Size	US$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2014
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	32% from 38 Voluntary indicators

Church Commissioners for England

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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

Investment policy

SG 01	Mandatory	Public	Core Assessed	General

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

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

◉ Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We regard climate change as a vital issue for responsible investors. The Church Commissioners have pledged to transition our investment portfolio to net-zero greenhouse gas emissions by 2050 as members of the UN-convened Net Zero Asset Owner Alliance.

Climate risks the Commissioners face include:

- Transition risk - the risk that our asset allocation, asset managers or individual investment assets prove to be poorly positioned for the investment risks and opportunities associated with the transition to a net zero carbon economy
- Physical risk - the risk that our assets are impacted by the physical risks associated with climate change, such as flooding and fire, particularly our property, rural and forest assets

The most significant challenge for investment decision-making is that global public policy is not aligned with the goals of the Paris Agreement to restrict the global average temperature rise to well below 2 degrees Celsius and to pursue efforts to limit warming to 1.5 degrees Celsius. 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.

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 portfolio companies' management of climate change, strategic alignment with the Paris Agreement and carbon footprint

○ No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

◉ Yes

	Describe the associated timescales linked to these risks and opportunities.

The Mercer study 'Investing in a Time of Climate Change' in which we participated in 2015 focused on the period 2015-2050 and modelled the risks and opportunities associated with 2°C, 3°C and 4°C climate scenarios through to 2050.

The study concluded that prior to 2050 transition risks and opportunities are more apparent than physical risks, and that they vary principally according to the strength of public policy on the mitigation of climate change. The study concluded that the physical impacts of climate change become most apparent post 2050.

Mercer updated their analysis in 2019. 'Investing in a Time of Climate Change - The Sequel' documents Mercer's latest climate scenario model for assessing the effects of both climate-related physical damages (physical risks) and the transition to a low-carbon economy (transition risks) on investment return expectations. The Sequel models three climate change scenarios, a 2°C, 3°C and 4°C average warming increase on pre-industrial levels, over three timeframes - 2030, 2050 and 2100, thereby extending the time horizon of their modelling into a period in which physical risks become more apparent.

Mercer will analyse the Church Commissioners' portfolio in 2020 using their latest climate scenario model.

○ No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?

◉ Yes

○ No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

◉ Yes

	Describe

The Church Commissioners adopted a new, comprehensive climate change policy in 2015, incorporating exclusions of companies focused on the highest carbon fossil fuels (thermal coal and oil sands), low carbon investment, engagement with companies, divestment from companies that, after engagement, are not taking their climate responsibilities seriously, and engagement with public policy.

In 2017 the Church of England national investing bodies co-founded the Transition Pathway Initiative (TPI) together with the Environment Agency Pension Fund and the Grantham Research Institute at the London School of Economics, and the Church Commissioners continue to provide significant ongoing funding. TPI is an online tool that tracks alignment with the transition to a low carbon economy of companies in key sectors for carbon emissions. It assesses both companies' management quality on climate change (using FTSE Russell data) and their future carbon performance against the demands of the Paris goals and the Nationally Determined Contributions of parties to the Paris Agreement (using a sectoral decarbonisation approach). The Commissioners use TPI in engagement and voting, and TPI will help determine the additional climate-related exclusions we plan to implement by the end of 2020.

The Commissioners have been active participants since 2018 in Climate Action 100+, a collaborative engagement initiative backed by investors with more than $40 trillion in assets which asks companies to institute effective climate governance, commit to emissions reductions across their value chain consistent with the Paris goal to restrict the average global temperature rise to well below 2 degrees Celsius, and disclose on climate-related financial risk in line with the recommendations of the TCFD.

In January 2020 the Church Commissioners pledged to transition our investment portfolio to net-zero greenhouse gas emissions by 2050 as members of the UN-convened Net Zero Asset Owner Alliance.

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 zero carbon economy by 2050, including through greenhouse gas emissions reductions, adaptation to the physical impacts of climate change, appropriate protection for the natural environment, and just and affordable access to energy for the poor. Our public policy engagement on climate change is normally done collaboratively through IIGCC/the Investor Agenda, the Net Zero Asset Owner Alliance and UKSIF. Our firm belief is that the best approach to the management of climate-related risks and acceleration of climate-related opportunities is to transition the global economy to net zero emissions by 2050.

Mercer will analyse the Church Commissioners' portfolio in 2020 using their latest climate scenario model.

○ No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

☑ Public PRI Climate Transparency Report

☑ Annual financial filings

☐ Regular client reporting

☐ Member communications

☑ Other

	specify

Website

☐ We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

	Board members or trustees

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Other Chief-level staff or heads of departments

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Portfolio managers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Investment analysts

☐ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Dedicated responsible investment staff

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	External managers or service providers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The Commissioners' response to climate change is overseen by the Assets Committee. Climate change-related issues featured in Assets Committee papers or discussions at all six meetings in 2019. These issues included climate risk management, climate-related engagement and voting, our asset managers' approaches to climate change captured in our RI assessments, tracking low carbon investments via impact monitoring and the principle of setting a net zero emissions goal.

Climate change related risks are incorporated into the Commissioners' risk register, which is reviewed for, and at, every Assets Committee meeting.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Strategic management of climate-related risk across the investment portfolio is the responsibility of the CIO. The Commissioners' CIO has tasked the Commissioners' Director of Strategy with assessing the incorporation of climate risk and opportunity into strategic asset allocation.

Management of climate-related risk in real assets is the responsibility of the Head and Deputy Head of Real Assets, supported by the RI team. Issues considered include flood risk and Energy Performance Certificates.

Incorporation of climate-related risks and opportunities into investment decisions and active ownership by external managers in other asset classes is captured by and monitored using our RI rating system.

Climate-related analytics in listed equity, in particular carbon footprint monitoring, is conducted jointly by the listed equity and RI teams using third party data.

The RI team are responsible for supporting the continued development and operation of the Transition Pathway Initiative which is used to monitor the alignment of major listed companies with the transition to a low carbon economy. They are also responsible for engagement and voting to encourage better climate performance as well as ensuring that our climate-related investment exclusions (with regard to thermal coal mining and the production of oil from oil sands) are accurately reflected in our restricted list.

The Commissioners' public policy engagement on climate-related issues is managed by the Head of RI.

SG 07.8 CC	Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

☐ Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)

☐ Request incorporation of TCFD into regular client reporting

☐ Request that external managers complete PRI climate indicator reporting

☐ Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide

☑ Other

	Specify

Partners to Mercer for 'Investing in a Time of Climate Change - The Sequel'. Supported the development of improved climate scenarios for investor climate scenario analysis.

☐ We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

☐ Yes, in order to assess future ESG factors

☑ Yes, in order to assess future climate-related risks and opportunities

	Describe

In 2015 investment consultants Mercer assessed our portfolio against a range of climate change scenarios which modelled the investment impacts (to 2050) of a global average temperature rise of two, three and four degrees Celsius by 2100. We will re-run this analysis in 2020 using Mercer's updated modelling.

☐ No, our organisation does not currently carry out scenario analysis and/or modelling

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

SG 13.3	Additional information. [OPTIONAL]

We have reviewed strategic asset allocation against climate scenario analysis.

We consider ESG risks in relation to the geographical location of real assets investments, including social risks in developing countries e.g. land rights. We have not made rural land or forestry investments in developing countries. Generally we are weighing ESG risks carefully as we increasingly allocate to emerging markets in public and private markets.

We monitor the extent to which we hold low carbon investments in all asset classes and we consider carefully our sector weightings in listed equities, including our exposure to oil and gas.

With a new Director of Strategy in place we are further considering the implications of climate change for strategic asset allocation.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

☑ Initial assessment

	Describe

In 2015, Mercer analysed our full portfolio against climate scenarios modelling the investment impacts of a global average temperature rise of two, three and four degrees Celsius by 2100. This supported initial assessment of the robustness of our portfolio in a range of climate scenarios, including a 2 degrees scenario.

In 2016, the 2 Degrees Investing Initiative analysed our listed equity portfolio against a 2 degree scenario for high carbon sectors. This helped further raise our initial awareness of the extent of climate risk in high carbon sectors.

Mercer will re-run their analysis for us in 2020 using their updated scenarios and modelling.

☑ Incorporation into investment analysis

	Describe

Mercer's climate scenario analysis found that the Commissioners' strategy of portfolio diversification was supportive of resilience in all four climate scenarios, including the two 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. In the time since the analysis was conducted in 2015, the Commissioners have increased our exposure to assets that are not expected to be sensitive to the risks posed by climate change including multi-asset strategies.

☑ Inform active ownership

	Describe

Mercer's scenario analysis, and that of the 2 Degree Investing Initiative, highlighted sectors particularly exposed to climate risk. Since 2015/16 we have drilled down deeper into sector risks through the Transition Pathway Initiative (TPI), which the Church of England National Investing Bodies co-founded with the Environment Agency Pension Fund and the Grantham Research Institute at the London School of Economics. TPI analyses the management quality and future carbon performance of companies in high risk sectors including oil and gas, mining, electricity utilities, cement, iron and steel, aviation and autos. We use TPI to identify targets and issues for our climate-related active ownership (both engagement and voting). We are also very active supporters of and participants in Climate Action 100+, the collaborative engagement project backed by investors with over $40 trillion in assets focused on the world's most systemically important listed carbon emitters in the sectors most exposed to climate risk.

☐ Other

SG 13.5 CC	Indicate who uses this analysis.

☑ Board members, trustees, C-level roles, Investment Committee

☑ Portfolio managers

☑ Dedicated responsible investment staff

☐ External managers

☑ Investment consultants/actuaries

☐ Other

SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

◉ Yes

	Describe

Climate scenario analysis inevitably involves consideration of risk in a much longer time horizon than the normal investment time horizon. Mercer's 2015 study particularly highlighted the Commissioners' exposure to disruptive climate risk post-2050 and encouraged an urgent approach to policy and corporate engagement today to mitigate these risks. Scenario analysis also reinforced the long-term case for the Commissioners' real assets holdings in timberland which are expected to perform very well in a 2 degrees scenario and to be one of the most resilient asset classes in a 3 degrees scenario.

○ No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.

☑ Analysis based on a 2°C or lower scenario

☐ Analysis based on an abrupt transition, consistent with the Inevitable Policy Response

☑ Analysis based on a 4°C or higher scenario

☐ No, a range is not used

SG 13.8 CC	Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	☑ Beyond 2 Degrees Scenario (B2DS)
IEA	☐ Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	☑ Sustainable Development Scenario (SDS)
IEA	☑ New Policy Scenario (NPS)
IEA	☐ Current Policy Scenario (CPS)
IRENA	☐ RE Map
Greenpeace	☐ Advanced Energy [R]evolution
Institute for Sustainable Development	☐ Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	☐ BNEF reference scenario
IPCC	☐ Representative Concentration Pathway (RCP) 8.5
IPCC	☐ RPC 6
IPCC	☐ RPC 4.5
IPCC	☐ RPC 2.6
Other	☐ Other (1)
Other	☐ Other (2)
Other	☐ Other (3)

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

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

☑ Changing demographics

☑ Climate change

☑ Resource scarcity

☑ Technological developments

☐ Other, specify(1)

☐ Other, specify(2)

☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

☑ Established a climate change sensitive or climate change integrated asset allocation strategy

☑ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			470	000	000
Currency	GBP				
Assets in USD			607	142	508

	Specify the framework or taxonomy used.

We use our own Impact Investment Framework to identify investments supporting the transition to a low carbon economy. Our framework is rooted in the Anglican Communion's Five Marks of Mission, which we use to map impact investment themes aligned with the UN's Sustainable Development Goals. We developed this framework with input from other asset owners and key industry bodies such as the PRI, the Impact Management Project, and the Global Impact Investing Network.

The low carbon investments figure is at end 2019.

☐ Phase out your investments in your fossil fuel holdings

☑ 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 to track companies' alignment with the transition to a low carbon economy.

☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

☑ Scenario analysis

☑ Disclosures on emissions risks to clients/trustees/management/beneficiaries

☑ Climate-related targets

☑ Encouraging internal and/or external portfolio managers to monitor emissions risks

☐ 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

	other description

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

☐ None of the above

SG 14.5	Additional information [Optional]

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

SG 14 CC	Voluntary	Public		General

SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	☑ All assets ☐ Majority of assets ☐ Minority of assets	Our commitment to transition our portfolio to net zero emissions by 2050 sets a clear long term goal on GHG emissions.	We are working with partners in the Net Zero Asset Owner Alliance on monitoring, reporting and verification methodology.	We are working with partners in the Net Zero Asset Owner Alliance on monitoring, reporting and verification methodology.
Carbon intensity	☐ All assets ☐ Majority of assets ☑ Minority of assets	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	tonnes of carbon dioxide equivalent per £1 million of corporate revenue	Data feed from Trucost into Style Research portfolio analysis system

SG 14.7 CC	Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
☑ Absolute target ☐ Intensity target	2020	2050	Net Zero Emissions	File 1:Net Zero Asset Owner Commitment_Church Commissioners_signed_Jan 2020.pdf
☐ Absolute target ☐ Intensity target				
☐ Absolute target ☐ Intensity target				
☐ Absolute target ☐ Intensity target				
☐ Absolute target ☐ Intensity target				

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

◉ Processes for climate-related risks are integrated into overall risk management

	Please describe

Climate change related risks are incorporated into the Commissioners' risk register, which is reviewed at executive level for, and by trustees at, every Assets Committee meeting.

○ Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

◉ Yes

	Please describe

The Commissioners are strong supporters of Climate Action 100+ and its goal of encouraging all systemically important listed emitters to disclose climate-related risk in line with the TCFD recommendations.

○ No, we do not undertake active ownership activities.

○ No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1

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.

	%

9.3

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

☑ Energy efficiency / Clean technology

	Asset class invested

☑ Listed equity

	Percentage of AUM (+/-5%) per asset class invested in the area

1.5

☐ 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' investment into energy efficiency is approximately £68 million, which predominantly comprises investments in publicly listed companies, as well as some smaller investments in private companies delivering positive impact of this kind.

☑ Renewable energy

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

	Percentage of AUM (+/-5%) per asset class invested in the area

20

☐ Hedge funds

☐ Forestry

☐ Farmland

☐ Cash

☐ Other (1)

☐ Other (2)

Brief description and measures of investment

The Commissioners have just under £50 million invested in companies and projects focused on producing renewable energy. These include stakes in publicly listed companies focusing on renewable power generation, particularly solar, as well as several private investments earmarked for specific renewable power projects.

The Commissioners have provided funds of c.£15 million for the construction of two renewable natural gas plants in the US. The plants the Commissioners have provided capital for process agricultural and industrial food waste to produce biogas, which is then conditioned to make renewable natural gas. These plants became operational in 2019 and meet the energy needs for just under 23,000 Americans.

The Commissioners have provided funds of c.£2.2 million for the construction of solar plants in Chile.

The Commissioners' infrastructure strategy is to predominantly invest into the construction of such assets, rather than investing into projects already in development. The Commissioners actively search for companies looking to develop renewable energy projects on our land, for example wind farms on our directly owned forestry.

☐ Green buildings

☑ Sustainable forestry

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

Percentage of AUM (+/-5%) per asset class invested in the area

90

☐ Farmland

☐ Cash

☐ Other (1)

☐ Other (2)

Brief description and measures of investment

The Commissioners' investment in forestry is just over £300 million, and covers around 100,000 directly-owned acres.

Within our forestry portfolio, over 98% of our holdings (by land area) is sustainably certified. All sustainably certified forests must be managed at a level so that the woodland can be permanently sustained, and must maintain or enhance high conservation values. In 2019, almost 2 million trees, across 2,500 acres, were planted and are directly attributable to the Commissioners' investment.

The Commissioners are actively developing our knowledge of the environmental impact of our forestry portfolio, for example by measuring our annual carbon sequestration and increasing our sight of the downstream supply chain of our timber.

☐ 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

	Percentage of AUM (+/-5%) per asset class invested in the area

14

☐ 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 £511m equities portfolio managed by a specialist asset manager with a long term investment approach integrating sustainability factors directly into the investment process.

○ No