




Type of engagement	Reason for interaction
Individual/internal staff engagements	<input type="checkbox"/> To support investment decisionmaking in a company's ESG issues <input type="checkbox"/> To influence corporate transition or identify the need for a transition plan <input type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in a company's ESG issues <input type="checkbox"/> To influence corporate transition or identify the need for a transition plan <input type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in a company's ESG issues <input type="checkbox"/> To influence corporate transition or identify the need for a transition plan <input type="checkbox"/> To engage investor ESG advisors <input type="checkbox"/> Other - specify

RI TRANSPARENCY REPORT

2014/15

Church Commissioners for England

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

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

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Private	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓						✓
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓						✓
SAM 11	Appointment considerations (non-listed assets)	✓	Private				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	✓	Private	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

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	✓	Private		✓					
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 engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	🔒	n/a	✓						
FI 05	Type of ESG information used in investment decision	🔒	n/a	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	🔒	n/a		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓						✓
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	🔒	n/a	✓			✓			✓
PR 07	Formal commitments to RI	🔒	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓

Church Commissioners for England

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the category which best represents your primary activity.

- 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 or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2

Additional information. [Optional]

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

OO 02

Mandatory

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

31

OO 02.4

Additional information. [Optional]

There are 31 staff in the investments function at the Church Commissioners working in three teams - Investments, Property Investments and Operations.

OO 03	Mandatory	Descriptive	General
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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	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

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

	trillions	billions	millions	thousands	hundreds
Total AUM		6	700	000	000
Currency	GBP				
Assets in USD		11	079	032	346

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	44
Fixed income – corporate	0	2
Fixed income – government	5	2
Fixed income – other	0	0
Private debt	0	1

Private equity	0	4
Property	12	5
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	7
Forestry	0	4
Farmland	10	0
Inclusive finance	0	0
Cash	2	0
Other (1), specify	2	0
Other (2), specify	0	0

	'Other (1)' specified
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Strategic land

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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The Church Commissioners maintain a diversified investment portfolio in order to meet liabilities comprising the payment of clergy pensions for service prior to 1998, support for the ministry costs of poorer dioceses, funding for bishops' ministry, support for the ministry costs of cathedrals and the provision of finance for mission activities in areas of opportunity. The way the Commissioners invest forms an integral part of the Church of England's witness and mission. The fund has been run along ethical lines since its foundation in 1948 and the Commissioners are advised on ethical investment by the Church of England Ethical Investment Advisory Group. The Commissioners became signatories of the Principles for Responsible Investment in 2010 and integrate the concepts and methodologies of responsible investment into their investment practice, creating a blend of traditional church ethical investment and contemporary responsible investment. The fund is managed for the long-term with future generations of beneficiaries in mind as well as current beneficiaries.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

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

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

Strategic land

OO 11.2 Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Private debt
- Private equity
- Property
- Hedge funds
- Forestry
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1 The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Government

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 - Corporate
- Fixed Income - Government
- Private Debt
- Private Equity
- Property
- Hedge funds
- Forestry

Closing module

- Closing module

Church Commissioners for England

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- Yes
 No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- Yes
 No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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We manage our portfolio on the premise that the way we invest forms an integral part of the Church of England's witness and mission.

We are advised on ethical policy and practice by the Church's Ethical Investment Advisory Group. This is so that our approach to institutional investment is aligned with the beliefs and values of our beneficiaries.

We are signatories to the Principles for Responsible Investment because we believe that following best responsible investment practice will further enhance our ability to align our practice with the values of our beneficiaries and the wider interests of society.

Following the Principles for Responsible Investment is also consistent with the investment strategy of the fund. As managers of a perpetual endowment, we are long-term investors. The fund's performance is judged over the market cycle. It is reviewed in our annual report over the last three decades. We believe that it is likely that over these time horizons ethical, environmental, social and governance factors will have material relevance to investment performance. It is likely that, as well as being the right thing to do, ESG integration, active ownership, promotion of ethics in business and finance, and advocacy of public policy supportive of sustainability will be positive for our investment returns.

Our overarching policy document is our Statement of Ethical Investment Policy. This sets out our thinking on, and approach to, stewardship, engagement and exclusions. It states our commitment to ESG integration and active ownership.

We also have detailed policies on:

- voting on executive remuneration
- engagement with investee companies
- investment exclusions applied in the areas of defence, pornography, tobacco, gambling, high cost lending, non-military firearms and human embryology
- climate change
- property investment
- hedge funds investment
- our expectations of companies in the areas of genetic modification and alcohol production and retail

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1 Indicate if your responsible investment policy is publicly available.

Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<https://www.churchofengland.org/about-us/structure/eiag/ethical-investment-policies.aspx>

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
All published ethical investment policies	https://www.churchofengland.org/about-us/structure/eiag/ethical-investment-policies.aspx
UK Stewardship Code Statement	https://www.churchofengland.org/about-us/structure/churchcommissioners/assets.aspx

No

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The Commissioners' Code of Conduct for trustees (pasted in below) includes a conflict of interest policy consistent with Charity Commission guidance.

Staff are subject to a compliance policy part of which covers conflicts of interest or loyalty (pasted in below).

Personal dealing by investments staff and Connected Persons in securities/investments is subject to prior approval by the Commissioners' Compliance Officer.

The Code of Conduct for trustees

Introduction

The Church Commissioners work on behalf of the Church of England and are an integral part of Her Christian witness to the nation. Living out this witness implies that:-

Members of the Board of Governors and its Committees ('members') must at all times

- observe the highest standards of impartiality, integrity and objectivity in relation to the business and management of the Church Commissioners for England; and
- be accountable to the General Synod and Parliament, and to the Church and public more generally for the activities of the Church Commissioners and for the standards of service it provides.

Standards in Public Life

All members must

- follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life (as annexed);
- comply with this Code of Conduct, and ensure that they understand their duties, rights and responsibilities, and that they are familiar with the function and role of the Board of Governors and/or of any of its Committees on which they serve;
- keep confidential and not misuse information gained in the course of their service to the Church and public for personal gain, nor seek to use the opportunity of such service to promote their private interests or those of connected persons, bodies or other groups or organisations to which they belong.

Role of Members

Members have collective responsibility for the activities and decisions of the Board of Governors and/or the Committees on which they serve. They must engage fully in collective consideration of the issues, taking account of the full range of factors, including the statutory and other powers under which they operate and, in the case of Committees, any guidance issued by the Board of Governors. They must abide by the decisions reached.

Members will receive much information that has not yet been made public and is still confidential for proper reasons (e.g. matters awaiting final decision by the Board or a committee). Some members will receive information that must always remain confidential for proper reasons (e.g. commercial terms). Members must not breach such confidences.

Handling Conflicts of Interest

The purpose of these provisions is 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.

Prospective trustees should consider possible conflicts of interest before they are appointed. All trustees should advise of actual or potential conflicts of interest as soon as they become aware of them.

Registration of Interests

All members should register in the Members' Register of Interests any personal interest which might influence their judgement or which could be perceived (by a reasonable member of the public) to do so.

In particular, members should register:

- relevant personal direct and indirect pecuniary interests;
- relevant direct and indirect pecuniary interests of close family members of which members could reasonably be expected to be aware; and
- relevant personal non-pecuniary interests, including those which arise from membership of Church, and other bodies, groups or organisations.

In this paragraph:

"relevant" interest, whether pecuniary or non-pecuniary, and whether direct or indirect, means any such interest which might influence the judgement of a member, or which could be perceived (by a reasonable member of the public) to influence his or her judgement, in the exercise of his or her duties;

"indirect pecuniary interest" means an interest which arises from connection with bodies which have a direct pecuniary interest; and

"close family members" include spouses, personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

Where a trustee is also a beneficiary of the charity's activity, there is a clear prima facie conflict. A common case will be that of senior clergy who stand to benefit from the Commissioners' decisions on, say, dignitaries' stipend levels (or of clergy members of a diocesan board of finance who are interested in the diocese's decisions about stipends). The Charity Commission helpfully takes the view that this is not a position in which trustees have, in relevant respects, placed themselves; that such conflict arises out of proper constitutional arrangements that require senior and other clergy membership of the relevant bodies; and that a declaration of interest before the discussion in question will suffice.

In the case of a more specific interest, for instance that of a bishop on the Commissioners' board or a committee in prospective work to the see house he occupies, it would be usual for the bishop both to declare an interest and withdraw from the discussion.

The Members' Register of Interests should be kept up-to-date and it will be open to inspection on request by Church Commissioners, MPs, government officials and members of the General Synod.

Oral declaration of interests

An oral declaration of a relevant interest should be made at any meeting of the Board of Governors or of its Committees (and notwithstanding its inclusion in the Members' Register of Interests) if it relates specifically to a particular issue under consideration and should be recorded in the minutes of the meeting.

Withdrawal from meetings

If the outcome of any discussion at a meeting of the Board of Governors or of any of its Committees could have an effect on any relevant pecuniary interest of a member or person or body connected to a member, or an effect on a non-pecuniary interest that is more than the generality of those affected, that member should

not participate in the discussion or determination of the matters that might affect that interest and should withdraw from the meeting.[1]

Lobbying of other members

A member should not seek to lobby fellow members about a matter in which he or she (or a connected person or body) has a relevant interest.

Conflicts of loyalties

Relevant to point 7(c), under 'non-pecuniary interests', is the question of conflicts of loyalty. Under charity law, people appointed or elected to the Commissioners' board or committees by another organization have the same duties and responsibilities as other members, must act independently of the appointing body and in the best interests of the Commissioners' beneficiaries. Where on occasion the interests of the two bodies may conflict, the Charity Commission confirms that the best interests of the Commissioners and their beneficiaries must be the overriding consideration. Each and every Commissioner must act personally so as to promote the objectives of the charity and not as the representative of any group or organisation; this applies regardless of how that person was nominated, elected or selected to become a trustee.[2]

Commissioners appointed or belonging ex officio to other bodies, such as another national church institution, must similarly serve the interests of that body and manage conflict by declaration and/or withdrawal.

Gifts and Hospitality

Members must treat with great care any offer or gift, favour or hospitality that is made personally and in connection with their service as a member. Members should only accept gifts of nominal value and be declared to the Secretary who will keep a record of such gifts.

Members should only accept hospitality in connection with their service as a member where it is commensurate with the style, presentation and value which it would be appropriate for a public body to provide on a reciprocal basis when acting as host.

Non-compliance with the Code of Conduct

The Commissioners will investigate alleged breaches of the Code and take appropriate action if necessary. Their process for doing so will provide for:

- a prompt and clear statement of the allegations;
- effective fact-gathering with key statements recorded;
- the opportunity to be heard in person and to call and examine witness;
- and the opportunity for legal advice and assistance. There will be some involvement of officers/trustees at a remove from the alleged breach of conduct and, if necessary, of external representatives in order to ensure an element of independence in the process. There will be an appeal stage. The Commissioners will meet the reasonable costs of any person under investigation in relation to a potential or actual breach of the Code, subject to possible reimbursement where deliberate breach is proven.

Disciplinary sanctions are likeliest to take the form of publication of the offence, investigation and findings and/or the removal from office of the member concerned. Serious or criminal wrongdoing would of course bring external processes into play.

The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands this.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Staff Compliance Policy: Conflicts of interest or loyalty

- a) All staff should bear in mind the necessity to protect the decisions of their employer from challenge or criticism on the grounds of prejudice and pay particular regard to the reputational risks involved in their own specific areas of business.
- b) Staff must not act so as to confer any benefit on any outside party if the benefit is of such value or frequency that it might reasonably be expected to cause the recipient to act in a manner which would or might conflict with any duties of the recipient to his or her employer.
- c) Staff must not accept a benefit from a third party which could reasonably be seen as making it difficult for them properly to perform their duties to their employer. Staff should apply this test objectively, i.e. not simply ask themselves whether they feel compromised but should approach the question from the standpoint of a reasonably minded observer.
- d) Staff must not make recommendations or effect transactions for their employer if they have directly or indirectly a material interest of any description in the recommendation or transaction other than that arising solely from their employer's participation in it, or if they have a relationship with a Connected Person unless the interest or conflict has been disclosed to the CO [Compliance Officer] and the relevant Chief Executive's written consent is obtained.
- e) Staff need not declare involvement in church organisations (e.g. PCCs) unless this produces a conflict/potential conflict with their employer's interests.
- f) Staff who feel they may have a conflict of interest or loyalty should disclose it to the CO or their Head of Department and consider their involvement in relevant meetings and/or casework. Copies of all correspondence relating to conflicts of interest or loyalty should be given to the Compliance Officer.
- g) Staff should err on the side of caution in judging whether they have an interest and should consult their Head of Department or CO if in doubt.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
---------	--------------------------------------------------------------------------------------------------

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

OA 05.4

Additional information. [Optional]

Annual RI objectives are set out in the Head of Responsible Investment's personal objectives. Performance against these objectives is reviewed half way through the year and at the end of the year.

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

A work plan for the Ethical Investment Advisory Group is maintained on a rolling basis and reviewed at every EIAG meeting.

An engagement plan is agreed annually, and the engagement programme reviewed annually, by the Ethical Investment Advisory Group.

A voting template is agreed annually. The voting programme is reviewed twice a year by the Commissioners at trustee level and annually by the Ethical Investment Advisory Group.

Governance and human resources

OA 08**Mandatory****Gateway/Core Assessed****General****OA 08.1**

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

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Chief Surveyor/Head of Property

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	-------------------------------------------------------------------------------------------------

Number

1

OA 08.3	Additional information. [Optional]
----------------	------------------------------------

The Commissioners have one member of staff dedicated to RI, the Head of Responsible Investment. In addition the Ethical Investment Advisory Group Secretariat has two staff who conduct policy development, screening, voting and engagement services for the Commissioners. We have not included these two staff under the Commissioners' dedicated RI staff complement as they are shared with the Church of England Pensions Board and the CBF Church of England Funds.

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	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.
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Select all that apply

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

The Commissioners' Head of Responsible Investment is on the steering group of the Hedge Funds work stream and chaired the work stream session at PRI in Person.

The Commissioners' Head of Responsible Investment is on the informal, temporary advisory group for the PRI's new Corporate Tax project, contributed to the discussion paper prepared by the investor collaboration and spoke on the panel on corporate tax at PRI in Person. He also spoke about the initiative at RI Europe and the Novethic conference in Paris.

The Commissioners are in discussion with the PRI Secretariat about joining a new PRI climate change project.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

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

- Basic
- Moderate
- Advanced

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

We are co-leaders of the "Aiming for A" investor collaboration which encourages the 10 largest UK-listed extractives and utilities companies to achieve a CDP performance rating of 'A'. This has involved high profile advocacy of CDP at corporate AGMs and in the media (e.g. a front page story in the FT in December 2014).

CDP Forests

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

- Basic
- Moderate
- Advanced

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

The Commissioners are investor signatories.

CDP Water

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

- Basic
- Moderate
- Advanced

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

The Commissioners are investor signatories.

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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 Policy Group and actively participates in its discussions, including the drafting of policy positions and public statements.

The Commissioners participated in the Low Carbon Registry Initiative in the run-up to the UN Climate Summit in September 2014.

The Commissioners provided extra voluntary funding early in 2014 to help pay for the engagement of a public affairs consultancy in Brussels to support engagement with European policy making. Later in the year we obtained sign off from our Chief Executive to offer more substantial additional voluntary funding to help pay for a new public policy specialist. IIGCC is taking this offer forward.

The Head of Responsible Investment actively promotes the benefits of IIGCC membership and recruited a major university endowment manager to the initiative in the past year.

Interfaith Center on Corporate Responsibility (ICCR)

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

- Basic
- Moderate
- Advanced

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

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

- International Corporate Governance Network (ICGN)

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

- Basic
- Moderate
- Advanced

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

The EIAG's corporate governance and proxy voting specialist maintained ICGN membership.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
UKSIF

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

- Basic
- Moderate
- Advanced

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

The Commissioners' Head of Responsible Investment sits on the Leadership Committee and helps to advise staff on public policy positions.

- 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 was the keynote speaker for a specially arranged responsible investment conference for Canadian church investors, both SHARE members and non-members, in Toronto after PRI in Person. He also held meetings organised by SHARE with the Anglican and United Churches to discuss responsible investment.

- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Church Investors Group

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

- Basic
- Moderate
- Advanced

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

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

- Other collaborative organisation/initiative, specify
Mercer second study on climate change and strategic asset allocation

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 are partners for the study and provided funding, attended meetings about the progress of the study in Montreal and London, and reviewed materials.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
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- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3	Additional information. [Optional]
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The Commissioners are funding partners for Mercer's second study into climate change and strategic asset allocation. We are strong advocates of asset management industry engagement with responsible investment and transparency, and are pushing this particularly with the hedge fund industry.

The Commissioners' Head of Responsible Investment spoke at the Hedge Funds Standards Board's annual member meeting, RI Europe, PRI in Person and the Novethic conference. He presented papers on responsible investment to the Assets Committee and Board of Governors. He was regularly interviewed and quoted in the media.

The Commissioners consistently promote PRI with asset managers and prospective asset managers.

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

Our reported information is reviewed by our Director of Investments.

Content which is included in our annual report (including ESG monitoring of the listed equities portfolio, voting and engagement statistics, and sustainability themed investments) is reviewed by internal audit as part of their assurance of our annual report. This represents only partial assurance of our reported information and the PRI return itself is not reviewed by internal audit.

No

Church Commissioners for England

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Overview

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

- Yes
 No

SAM 02.4 Additional information. [Optional]

The Commissioners make some use of research on managers by specialist consultants in some areas but external consultants are not involved in manager selection, appointment or monitoring.

SAM 03	Mandatory	Gateway	General
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SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private debt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Forestry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hedge funds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 05

Mandatory

Gateway

PRI 1,2

SAM 05.1

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

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

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

SAM 05.2

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SAM 05.3 Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 05.4 Additional information. [Optional]

We encourage engagement by our listed equity managers too, especially our passive equity managers with whom we consult and collaborate on engagement.

We encourage voting by listed equity managers where we are invested in pooled funds and do not vote ourselves directly and are considering making this a minimum requirement.

Selection

SAM 06 **Mandatory** **Core Assessed** **PRI 1-6**

SAM 06.1 Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

	LE	FIC	FIG
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of ESG reporting you expect	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Evaluate index providers' ESG incorporation when designing the index	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1
SAM 08.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:		
	General		

	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Compliance with negative screening requirements in segregated mandates and underlying investments in pooled funds are closely monitored.

SAM 08.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]
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For listed equities we use external data to help us to monitor the ESG characteristics of our managers' investment portfolios.

This data comprises MSCI IVA ('Intangible Value Assessment') ratings of environmental and social characteristics, GMI Ratings of corporate governance, and Trucost analysis of carbon footprint, viewed on a platform provided by our portfolio analytics company, Style Research. The data covers most, but not all, of our public equities portfolio.

The data indicated that, at the end of 2014, our listed equity portfolio had a significant tilt towards companies with better social characteristics compared to its combined benchmark. There were also less significant tilts towards companies with better governance characteristics and lower carbon emissions, but poorer environmental characteristics.

We report this portfolio ESG skyline in our annual report.

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6
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SAM 10.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:
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	General
--	---------

	PE	PR	
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	<input type="checkbox"/>	
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's responsible investment disclosure, including PRI reporting	<input type="checkbox"/>	<input type="checkbox"/>	
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	
Other general aspects in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PE	PR	
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other pre-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PE	PR	
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other post-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

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

In selecting managers for our private equity and indirect property portfolios, we review the historic investments of managers to understand the historic exposures, if any, to restricted sectors under the Commissioners' ethical investment policy.

We require transparency and the ability to monitor the holdings of private equity and property funds to ensure compliance with the Commissioners' ethical investment policy. We explore the possibility of entering into side letters with managers exempting the Commissioners from investments which breach our ethical investment policy and allowing us to vet our participation in transactions.

Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM 12.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PE	PR	
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other general aspects of your monitoring, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PE	PR	
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other ways ESG issues are incorporated in the pre-investment process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PE	PR	
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input type="checkbox"/>	<input type="checkbox"/>	
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Request details of how ESG factors were considered when preparing to exit from investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other ways ESG issues are monitored in the post-investment process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

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

We monitor closely the holdings of private equity and property funds to ensure compliance with the Commissioners' ethical investment policy. Reports are received and reviewed at least annually.

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
---------------	------------------	----------------------	--------------

SAM 16.1 Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly

provide URL

<https://www.churchofengland.org/media/1996043/church%20commissioners%20annual%20report%202013.pdf>

provide URL

<https://www.churchofengland.org/media/2015534/eiag%20annual%20review%202014.pdf>

SAM 16.2 Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- Yes

SAM 16.3

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

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
 - Details of the responsible investment activities carried out by managers on your behalf
 - E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
 - Other, specify
- No
- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

A Responsible Investment Review is being included for the first time in the Commissioners' annual report for 2014 and this will give information about how RI considerations are included in manager selection, appointment and monitoring. Publication will be in May 2015.

Church Commissioners for England

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

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

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---------------------------------------------------------------------------------------------------------------------

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

Process

Process for engagements run internally

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

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

☉ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

The Ethical Investment Advisory Group (EIAG) Secretariat proposes an annual engagement plan which is agreed by the EIAG, the Commissioners and the Church of England Pensions Board.

Companies feature in the engagement plan if they are major holdings in which our stakeholders maintain a consistent interest, if they are poorly rated for ESG management, or if they fit within one of our thematic programmes.

Church Investors Group (CIG) programmes are agreed by the CIG steering group on which the Commissioners' Head of Responsible Investment sits. CIG engagement programmes are structured multi-year programmes. Annual prioritisation decisions - how to define CDP and FTSE ESG laggards - are taken by the CIG Secretariat and reported to the CIG steering group and members.

Any engagement conducted by the Commissioners' Head of Responsible Investment is typically part of thematic collaborative programmes, participation in which has been agreed by the Commissioners at Chief Executive level on account of consistency with the Commissioners' ethical investment policies and stakeholder priorities.

Engagement by the EIAG, CIG and the Commissioners directly is focused on UK companies because the Church of England and other CIG members recognise a particular stewardship responsibility for our home market and have the most influence in it rather than overseas.

No

LEA 04**Mandatory****Core Assessed****PRI 2****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

No

LEA 04.2

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

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

LEA 04.3

Describe how you monitor and evaluate the progress of your engagement activities.

Monitoring and evaluation depends on the nature of the engagement.

The EIAG's engagement with major holdings involves ongoing monitoring of whether a company meets the Church of England's ethical expectations and whether progress is being made in areas in which we have concern.

The EIAG's engagement with companies who are managing ESG risk badly involves ongoing monitoring of whether a company is making progress with ESG risk management. Companies whose ratings do not improve remain in the programme.

If the EIAG identifies a company of being of particular concern and requiring urgent, intensive engagement then specific asks of the company are set and communicated to the company, and it is made clear that divestment may follow if these asks are not met. Progress against these objectives is closely monitored throughout the engagement process and reported to the EIAG and national investing

bodies. If the EIAG does not evaluate the engagement as meeting its objectives then it will make a divestment recommendation to the national investing bodies.

For its CDP and FTSE ESG ratings laggards programmes, the CIG issues letters, logs responses to them, follows up with non-respondents and takes up opportunities for dialogue. When the CDP and FTSE ESG ratings are next updated, progress is evaluated. Both of these CIG programmes are academically assessed for effectiveness by the University of Edinburgh and the change in the performance of the group of companies engaged with is compared to that of a control group of companies with whom there has been no engagement.

Engagement by the Head of Responsible Investment is monitored and evaluated as part of the monitoring and evaluation of the wider engagement programme of which the engagement is part, e.g. the 'Aiming for A' initiative on carbon emissions performance, where improvements or slippages in CDP performance ratings are monitored.

No

Process for engagements conducted via collaborations

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

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

Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

We enter into collaborative engagements for one of three reasons:

- because we believe we will have more leverage with an individual company about whom we have concerns by working with other investors (we can find that the combination of the moral standing of church investors and the financial standing of mainstream asset owners or asset managers acts as a compelling influence upon companies);
- because collaborative engagement allows us to participate in a wider programme of engagement than we could conduct on our own, extending our reach and using our engagement resource more effectively; or
- because the offer to participate in a collaborative meeting gives us the opportunity to interact with one of our priority companies.

All engagement, whether individual or collaborative, is prioritised according to the degree of stakeholder concern and concern on the part of the Ethical Investment Advisory Group (EIAG) and/or the national investing bodies of the Church.

Decisions to collaborate on an individual engagement may be taken by the EIAG Secretariat and reported to the EIAG. Decisions to join collaborative engagement programmes require the approval of the EIAG or the Commissioners' CIO, CEO or trustees according to the scope and profile of the programme.

No

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

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 - Yes, for all collaborative engagement activities
 - Yes, for the majority of collaborative engagement activities
 - Yes, for a minority of collaborative engagement activities
- No

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

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Where the Ethical Investment Advisory Group (EIAG) is engaging with a single company the progress of the collaborative engagement is monitored against the EIAG's own objectives for the engagement. The EIAG may conduct its own engagement meetings with a company in these circumstances as well as participating in collaborative engagement. The aim is to maximise leverage and access to information and analysis with a view to achieving our specified objectives. Divestment will be an option if progress is not achieved.

Where the Commissioners are part of a systematic engagement programme then monitoring and evaluation will be by the collaborative group as a whole and we will participate in the collective process of evaluation. The systematic collaborative programmes in which we participate will normally be subject to evaluation against external data - for example improvements in CDP or FTSE ESG ratings. In the case of the Church Investors Group's programmes the effectiveness of the engagement programmes is evaluated academically and independently by the University of Edinburgh.

Where the EIAG Secretariat takes up an offer of a collaborative meeting with a company more opportunistically there will not normally be formal monitoring of progress.

- No

Process for engagements conducted with/on your behalf by service providers

LEA 07

Mandatory

Core Assessed

PRI 2,4

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes
- No

LEA 07.3 Additional information. [Optional]

Engagement is conducted for Church Investors Group members by CCLA Investment Management.

LEA 08	Mandatory	Core Assessed	PRI 2,6
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LEA 08.1 Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

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

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
----------	------------------------------------------------------------------------------------------

We disclose it publicly

provide URL

<https://www.churchofengland.org/media/2015534/eiag%20annual%20review%202014.pdf>

provide URL

<https://www.churchofengland.org/about-us/structure/churchcommissioners/annual-reports.aspx>

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	-------------------------------------------------------------------------------------------------------------

Yes

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.
----------	--------------------------------------------------------------------------------------------------------------------------

Engagement information disclosed

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

LEA 15.4	Indicate how frequently you typically report engagements information.
----------	-----------------------------------------------------------------------

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

No

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8	Additional information. [Optional]
----------	------------------------------------

A breakdown of engagements by type/topic will be included for the first time in the Commissioners' annual report for 2014, in addition to the information disclosed in the Ethical Investment Advisory Group's annual review.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
----------	---------------------------------------------------------------------------------------------------

Approach

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

Based primarily 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) which 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) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
----------	-----------------------------------

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

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
-----------------	------------------------------------

The Ethical Investment Advisory Group (EIAG) Secretariat writes to the main (FTSE 350) UK companies we own in advance of peak voting season to set out the main features of our voting policy.

Outputs and outcomes

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

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	----------------------------------------------------------

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

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The only circumstances in which we have a policy not to vote is in 'shareblocking' markets where we would be prevented from trading if we exercised our voting rights.

- We do not track or collect this information

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

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

- We disclose it publicly

provide URL

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

provide URL

<https://www.churchofengland.org/media/2015534/eiag%20annual%20review%202014.pdf>

LEA 26.2

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

- Yes

LEA 26.3

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

Indicate how much of your voting record you disclose

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

Indicate what level of explanation you provide

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

LEA 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

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

Church Commissioners for England

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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Overview

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Government
Primary market (new issues)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

ESG incorporation in actively managed fixed income

FI 03

Voluntary

Descriptive

PRI 1

We only invest in UK gilts and will not invest in the government debt of countries of human rights concern.

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
--------------	------------------	----------------------	--------------

FI 13.1 Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

Yes

FI 13.2 Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

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

FI 13.3 Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We do not review corporate governance issues

FI 13.4	Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]
----------------	-------------------------------------------------------------------------------------------------------

In our liquidity reserve of government fixed income securities, we would not invest in debt issued by countries who feature on our list of countries of greatest human rights concern.

In practice, however, the directly managed government fixed income portfolio consists solely of short-dated UK gilts and these are assets with which we do not currently associate any material ESG risk.

No

Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
--------------	-----------	-------------	-------

FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
----------------	------------------------------------------------------------------------------------------------------------------------------------------

Fixed Income - Government

- Narrow down or prioritise the investment universe
- Buy / sell / weight decisions
- Other, specify

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
----------------	----------------------------------------------------------------------------------------------------------------------------------------

- We disclose it publicly
- We disclose it to clients/beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7	Additional information. [Optional]
----------------	------------------------------------

Our direct investments in fixed income represent a small, entirely uncontentious portion of our portfolio, as they comprise only UK gilts. We have therefore not seen a need to cover this part of our portfolio in our Responsible Investment reporting.

Church Commissioners for England

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

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

No

PR 05.3 Additional information. [Optional]

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.

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
-------	-----------	---------	-------

PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 08.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

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.

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

No

PR 10	Mandatory	Core Assessed	PRI 1,3
-------	-----------	---------------	---------

PR 10.1 Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

ESG issues

Environmental

List up to three typical examples of environmental issues

Energy efficiency rated in Environmental Performance Certificates (EPCs).

Social

List up to three typical examples of social issues

Whether the property is used for purposes covered by socially motivated ethical investment exclusions with regards to defence, tobacco, gambling, adult entertainment, alcohol etc.

Governance

List up to three typical examples of governance issues

The equity structure, nature of co-investors, and property management arrangements.

Selection, appointment and monitoring third-party property managers

PR 13

Mandatory

Core Assessed

PRI 4

PR 13.1

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

Yes

PR 13.2

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

- For all third party property managers
- For a majority of property managers
- For a minority of property managers

Contractual requirements when appointing property managers includes ESG issues

- For all third party property managers
- For a majority of property managers
- For a minority of property managers

Monitoring of property managers covers ESG responsibilities and implementation

- For all third party property managers
- For a majority of property managers
- For a minority of property managers

PR 13.3

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

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 understanding our approach and share our values. ESG credentials are considered in the tender process and in monitoring of the ongoing relationship. The managing agent for our commercial property portfolio is a signatory to UNPRI.

PR 13.4

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

Our agents contribute to the management of a wide array of ESG issues at our directly held properties. Key considerations include the payment of the London Living Wage to contractors' staff based at our properties, health and safety management, and monitoring for infringements of the terms of leases. Quarterly reports are received from our managers.

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

No

Post-investment (monitoring and active ownership)

Overview

PR 14

Mandatory

Gateway

PRI 2

PR 14.1

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

Yes

PR 14.2

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 refurbishments
- 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 14.3

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

The Commissioners believe that the active management of property assets, including ESG issues, can create investment value.

For example, the Commissioners believe that tenants on the Hyde Park Estate expect the Estate to manage sustainability issues well and that if the Commissioners do this, it sustains and creates value.

Investment has been made recently in promoting urban biodiversity on the Hyde Park Estate. 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. Sustainable transport has been supported through the creation of secure bicycle parking facilities.

Investment has also been made in energy efficiency including new communal boilers and solar powered garden tools. Initiatives have been taken to address energy wastage with measures like taking excess radiators out from lobbies. More significant improvements, particularly glazing, will be possible as part of the major refurbishment works that are under consideration.

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

In our office portfolio the electricity sourced by our property managers is 100% renewable.

No

Property monitoring and management

PR 15

Mandatory

Core Assessed

PRI 2,3

PR 15.1

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 15.2

Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

Environmental

List up to three example targets per issue

Carbon emissions - the MetroCentre is managed by Intu. Intu Group achieved a 30% reduction in carbon emissions on a like-for-like basis 2011-2014.

Waste to landfill - in 2011 Intu Group set a target of diverting 95% waste from landfill by 2014. The target was exceeded.

Water use - Intu Group has a target to reduce water consumption intensity by 10 per cent between 2010 and 2020.

Social

List up to three example targets per issue

The MetroCentre is managed by Intu Group who have a target to increase employee volunteering and have launched a new volunteering policy to facilitate this.

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

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
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- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum 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
- Other, specify

PR 17.3	Additional information. [Optional]
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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 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- 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
- Other, specify

PR 18.3	Additional information. [Optional]
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The Commissioners occupier engagement includes for example engagement with residential tenants on the Hyde Park Estate on environmental issues such as the use of radiator valves to save energy.

The MetroCentre is managed by Intu Group whose occupier engagement includes for example working with retailers to improve the effectiveness of waste management.

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1	Indicate if your organisation proactively discloses ESG information on your property investments.
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- Disclose publicly

	provide URL
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<https://www.churchofengland.org/about-us/structure/churchcommissioners/annual-reports.aspx>

PR 23.2

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

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

PR 23.3

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

- Yes

PR 23.4

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

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

PR 23.5

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

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

PR 23.6

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

A Responsible Investment Review covering all asset classes is included in the Commissioners' 2014 annual report.

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