



# Church Commissioners

a newcomer's view

We manage an £8.2bn investment fund in a responsible and ethical way.

Each year we use the returns from our fund to facilitate growth, contribute to the common good and re-imagine ministry by:

Funding mission activities

Supporting dioceses with fewer resources with their ministry costs

Paying for bishops' ministry and some cathedral costs

Administering the legal framework for reorganising parishes and settling the future of closed church buildings

Paying clergy pensions for service prior to 1998

Operating the national payroll for serving clergy



The Church Commissioners manage an £8.2bn investment fund, seeking maximum long term return within our ethical framework.

**8.9% per annum**

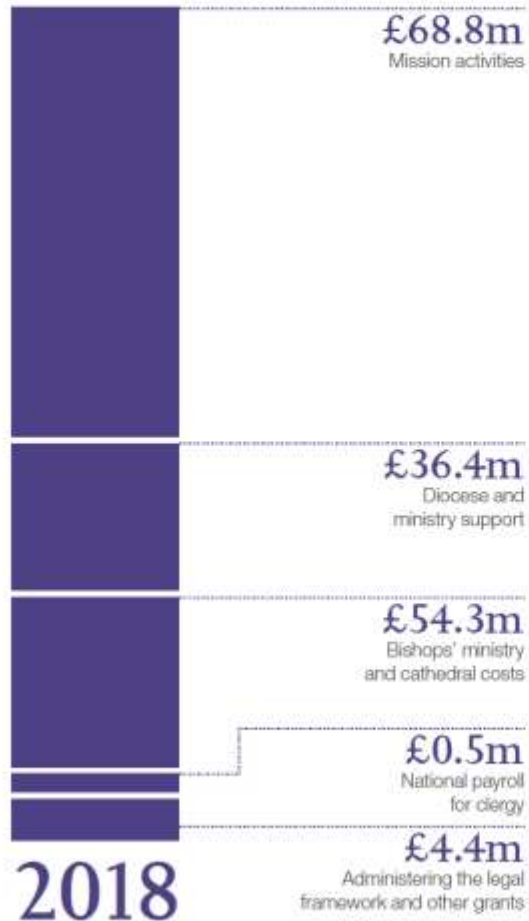
Total return over 30 years

**1.8%**

Total return for 2018

**£164.4m**

Total Charitable expenditure  
excluding clergy obligation\*



**2018**

**9.4% per annum**

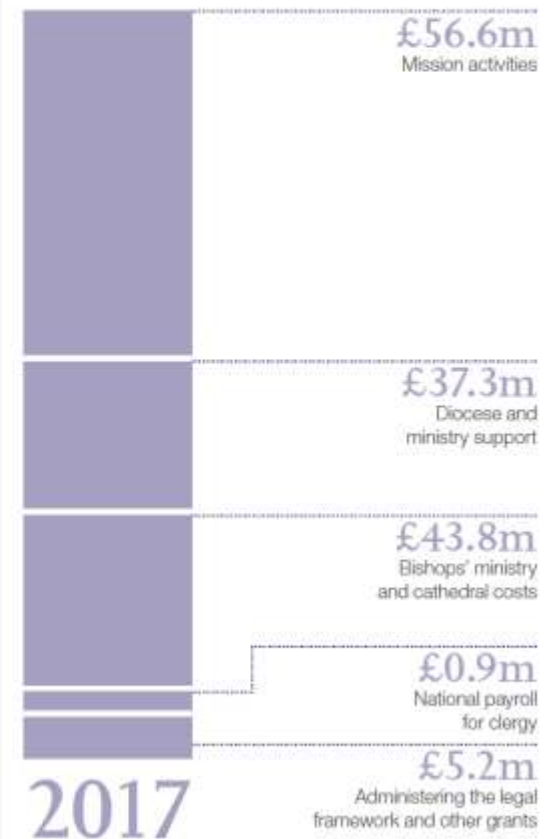
Total return over 30 years

**7.1%**

Total return for 2017

**£143.8m**

Total Charitable expenditure  
excluding clergy obligation\*



**2017**

**£121.2m**

\*Cash paid on clergy pensions for both 2017 and 2018.

# Chaired by Bishop of Manchester, David Walker

## Board of Governors

<p>Assets Committee Led by First Estates Commissioner, Loretta Minghella. Looks after the investments</p>	<p>Bishoprics &amp; Cathedrals, matters relating to support of bishops, See houses, and cathedrals Led by Dr Eve Poole Third Estates Commissioner</p>	<p>Mission, Pastoral, &amp; Church Property Parish reorganisations, parsonages, glebe land, future of church buildings closed for public worship Led by Dr Eve Poole Third Estates Commissioner</p>	<p>Risk &amp; Audit Committee Looks at annual accounts, internal control systems, risk management + external auditors</p>
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You are a member of the Mission, Pastoral, and Church Property Committee:

Imagine: a long disused church in small northern town or London suburb. One of those ugly barn like churches – not listed in any way, in an area of deprivation so not going to be sold to be re-developed as an art gallery, retail outlets, posh flats.

If no buyer is found, the church will be knocked down and the site cleared for development.

Along comes the Iman of the local Muslim community to ask if they can buy the church and convert it to a mosque.

Would you sell it?



## Combating Climate Change

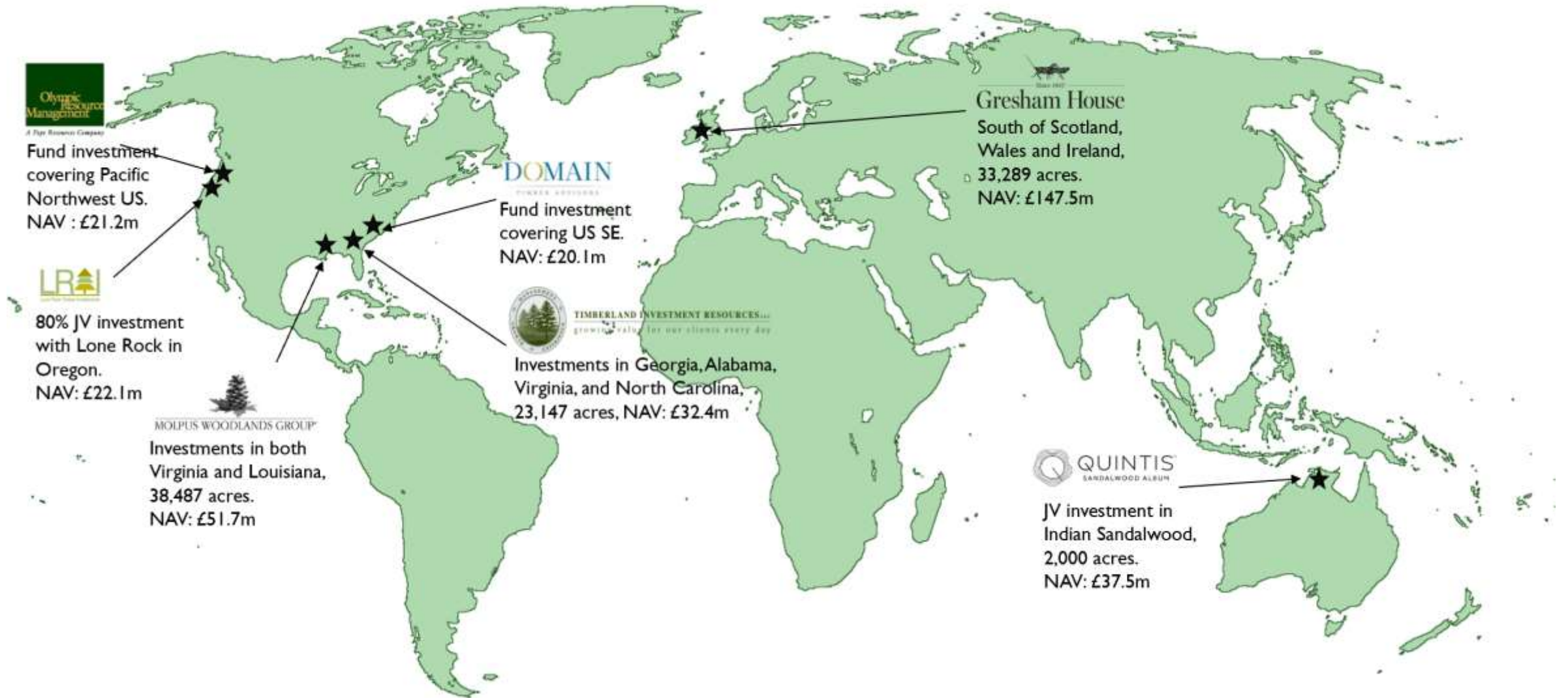
69,700  
tonnes

Estimated carbon (CO<sub>2</sub>) benefit from the Commissioners' UK forests each year – similar to the annual carbon emissions of 9,500 people in the UK. This includes the entire life cycle of both the forest and harvested timber

5,400  
tonnes

Estimated carbon sequestered each year through photosynthesis on our 9,500 acres of Southern US pine forests alone.

# Church Commissioners' Forestry/Timberland Portfolio



The Commissioners' Forest Holdings in the UK

An area of 32,656 acres across 27 properties, located primarily in South Scotland

NAV in December 2018: £144.1 million

Return since inception: 14.5% p.a.

More than 2 million trees planted on the Commissioners' Timberland portfolio in 2018

Sustainable industry

As forests are harvested, trees are replanted to begin the next cycle.

Supporting biodiversity

Forests provide sheltered habitats for wildlife, often supporting endangered species. High biodiversity areas are retained during harvesting operations.

Regulating water supply and quality

Forests nurture the soils that are key to water retention, filtering and quality. Forests are a natural method of flood prevention!



# Flexing our Shareholder muscles and the Transition Pathway Initiative (TPI)

- TPI is a terrible name for a wonderful thing:
- it is an asset owner-led initiative, supported by asset managers and owners. TPI was co-founded by Environment Agency Pension Fund (EAPF) and the Church of England. As well as EAPF and the Church of England, many asset owners worldwide are members, and the combined investments of all the asset owners totals **trillions of pounds**. The initiative assesses how companies are preparing for the transition to a low-carbon economy. It:
  - Evaluates and tracks the quality of companies' management of their greenhouse gas emissions and of risks and opportunities related to the low-carbon transition.
  - Evaluates how companies' future carbon performance would compare to the international targets and national pledges made as part of the Paris Agreement.
  - Publishes the results of this analysis through an online tool.

# Church Commissioners & Pension Board shareholder engagement team

- In 2018 the Church Commissioners' in house engagement team led by Edward Mason, engaged directly with 78 companies including Shell, BP, and Exxon through attending company AGMs and, with our ethical investor partners, asking probing questions of company directors and chairs of Board.
- This has resulted in improved reporting by Shell and BP though Exxon remain resistant.