



# The US Episcopal Church to advocate an ESG ‘theology of money’

## Shareholder advocacy centres on climate, guns and the Middle East



by Carlos Tornero | August 8th, 2018

The Episcopal Church, the US member of the Anglican Communion, has agreed to appoint a Task Force on the Theology of Money to examine responsible investment practices consistent with its faith and mission. A number of resolutions aimed at shaping the way the Church’s entities manage their assets were agreed at the 79th General Convention, the governing body that meets every three years, which was held in Texas in July. The Theology of Money resolution directs the Task Force, whose members will be appointed in due course, to examine the following three elements of responsible investing: “Applying ethical guidelines in investing selection and management, shareholder activism, and investing for responsible social and environmental outcomes as well as financial returns.” This paragraph comes from a more progressive resolution that did not pass at the General Convention. It called on all of the Church’s entities with sufficient assets to consider joining the UN-supported Principles for Responsible Investment and the Interfaith Center on Corporate Responsibility (ICCR), as well as to carry out impact investment through their portfolio and vote proxies consistent with the Episcopalian faith and mission. The original resolution was sponsored by the Diocese of New York whose Bishop Andrew Dietsche, together with California’s Marc Handley Andrus, are at the forefront of ESG issues within the Church. A driving force of the resolution, entitled “Practising Responsible Investing”, was also the Church Investment Group (CIG). The CIG, with \$90 million AUM run by outsourced CIO firm Hirtle Callahan, is a non-profit which promotes ESG investing among all the financially independent entities of the Episcopal Church to get “aggregation of dollars and policy” as JoAnn Hanson, CIG’s President, told RI. “A big part of the CIG’s mission is interacting with dioceses and churches to explain that they can do ESG investing and still get returns that are comparable to traditional portfolios. That tends to be the big sticking point for many people,” Hanson said. Paraphrasing a quote of the Episcopal Church’s Presiding Bishop, Michael Curry (who achieved fame for his sermon at Prince Harry and Meghan Markle’s wedding), Hanson added: “It is in a lot of churches’ mind to use our resources for the realisation of god’s will in the world: to maintain creation and treat the world well.”

Another successful resolution, entitled “Fossil Fuel Divestment”, urged the Church Pension Fund, its biggest entity worth about \$17 billion of clergy pensions, to be mindful of the Church’s desire to become increasingly invested in renewable and clean energy. It also requested the Investment Committee of the Executive Council to report on the steps taken in the past three years to divest from fossil fuel companies. In March this year, the Church’s Executive Council Investment Committee announced it had adopted guidelines in response to a resolution to invest in clean energy from the 78th General Convention. It recommended working with consultant Mercer to screen out fossil fuels securities in its \$454 million portfolio, which has a current exposure of no more than 3.5% ([link](#)). A third resolution called on the Church’s entities to develop a shareholder engagement plan for gun manufacturers and to continue using the Mosbacher-Bennett Principles for Investors in the Gun Industry, an initiative of Do Not Stand Idly By. A fourth resolution called on the Church to develop criteria for a human rights-based investment screen regarding the Middle East, as well as to increase positive investment in Palestine. It also encouraged the Church to engage in shareholder advocacy exercising shareholders’ rights to submit resolutions at AGMs in support of human rights. According to the ICCR, the Episcopal Church was a founding member of the organisation, although currently the Church Investment Group, the Church Pension Group, and the Trustees of Donations to the Protestant Episcopal Church maintain their membership. At the General Convention, it was also agreed to direct “the Executive Council to maintain an independent

membership in the ICCR". Through the ICCR, Episcopalian entities have taken part in shareholder proposals and engagement campaigns, such as at PayPal (to prevent selling guns and ammunition online) and at American Outdoor Brands (manufacturer of brands such as Smith & Wesson) and guns retailer Dick's Sporting Goods. In the past the Church has also been involved in shareholder actions at Motorola, Caterpillar and Hewlett Packard in relation to the Israel and Palestine conflict.