



## Church Investment Group Approach to Sustainability Outcomes

Church Investment Group (CIG) uses the approaches of inclusion, advocacy, and exclusion. Church Investment Group implements this framework through proactive investment guidelines, proxy voting and corporate engagement and exclusion of investments due to ethical considerations or excessive sustainability-related financial risks. We have found that integrating ESG analysis in the selection process for the companies that CIG's portfolio holds provides additional insight into a company's long-term competitive edge and forward planning and helps highlight risks and opportunities that might not be identified by solely relying on traditional financial analysis.

The Church Investment Group works to apply ESG criteria to all assets classes in which it invests. Our investment approach is to know what we own through active management so that we can understand the characteristics of the companies which we own and engage with them as active shareholders who vote their proxies.

### **A. Inclusionary guidelines:**

Church Investment Group seeks to emphasize sustainable and responsible investments in its Portfolio by incorporating Environmental, Social and Governance factors as part of the overall investment process. The following set of values serve as a guiding framework/inclusionary screen for investment decisions.

#### **Environmental values:**

Investing in companies that plan for resource efficiency and measure, manage, disclose, actively plan and act to reduce their environmental impact through their operations, products, and supply chain. We seek to invest in companies that promote solutions including, but not limited to, renewable and clean energy, clean transportation, clean water, clean air, natural resource efficiency and stewardship, and sustainable food and agriculture systems.

#### **Social Values:**

Investing in companies that actively maintain policies and practices that support workforce well-being, human health, worker and product safety, and inclusivity and diversity.

#### **Governance Values:**

Investing in companies with a corporate governance culture that promotes shareholder engagement, fair executive compensation policies, board diversity, anti-corruption and anti-bribery practices, conscientiousness regarding human rights, sensitivity towards the communities in which the companies operate and



full governance disclosure.

Through the ESG integration process, Church Investment Group seeks to maximize its long-term performance and fulfill its mission of emphasizing investments with sustainable and responsible practices.

## **B. Exclusionary Guidelines:**

The Church Investment Group follows the exclusionary guidelines of the Episcopal Church, including seeking to invest with investment managers who exclude securities issued by tobacco manufacturers and companies for which the manufacture of firearms represents at least 10% of annual revenue.

## **C. Proxy Voting**

Proxy voting is an important component of Church Investment Group's approach to Stewardship. CIG has designed its portfolios in order to be able to vote its proxies in alignment with the guidelines developed by The Episcopal Church. The Church Investment Group seeks to implement its proxy voting approaches in accordance with the proxy choices of the Committee on Corporate Responsibility (CCSR) of the Executive Council of The Episcopal Church.

## **D. Task Force for Climate-Related Financial Disclosure (TCFD)**

The Church Investment Group assesses its portfolio in accordance with the recommendations provided by the Task Force for Climate-Related Financial Disclosure (TCFD). CIG also uses the analytical tools of the 2 Degree Investing Initiative to assess its portfolio. Long-term investment horizons require planning for a sustainable future and positioning CIG's portfolio to thrive in future conditions.

For more information, please visit [www.churchinvestment.org](http://www.churchinvestment.org)