Church Investment Group’s ESG Selection Considerations

**ENVIRONMENTAL VALUES**

- **Emissions**: Does the company monitor all direct and indirect emissions from its operating cycle?
- **Climate change risks**: Is the company appropriately considering how its operations are affecting the global community?
- **Water management**: Does the company think about its sustainable water usage in its business practices?
- **Operational waste**: Is the company taking necessary steps to reduce operational waste and precautions when disposing of harmful waste?
- **Biodiversity impacts**: Does the company understand the ecological impacts its processes can have on local communities?

**SOCIAL VALUES**

- **Labor practices**: Does the company have good employee relations, provide safe working conditions, have fair compensation practices, and promote workforce diversity?
- **Customer welfare**: Does the company use honest marketing tactics, provide adequate product disclosure, and guarantee product quality/safety?
- **Data security and privacy**: Does the company protect its intellectual property, secure its customers’ private information and disclose how customer information is used?

**GOVERNANCE VALUES**

- **Shareholder disclosure**: Does the company provide accurate and timely information to shareholders and avoid aggressive accounting practices?
- **Systemic risk management**: Does the governance structure have an innate focus on risk management and best practices?
- **Board of Directors**: Does the company’s Board maintain effective practices that balance growth and profitability, include independent industry experts, separate the CEO and Chair role, have practical oversight committees, consider long-term capital allocation plans, seek diversity in board composition and implement long-term compensation packages that align management with shareholders?
- **Management team**: Is the management team properly incentivized by being aligned with shareholders? Has the management team been stable, which generally aligns more with long-term thinking?

Companies that plan for resource efficiency and measure, manage, and disclose as well as actively plan and act to reduce their environmental impact. They promote solutions in Renewable and Clean Energy; Clean Transportation; Clean Water; Clean Air; Natural Resource Efficiency & Stewardship; Sustainable Food & Agriculture.

Companies that support workforce well-being, human health, worker and product safety and inclusivity and diversity.

Companies that promote shareholder engagement, fair executive compensation, board diversity, anti-bribery and corruption practices, conscientiousness regarding human rights, sensitivity toward communities in which they operate and full governance disclosure.

Church Investment Group
Serving the Episcopal Church and Its Christian Mission

www.churchinvestment.org