



ESG Investment Policy Statement 2023

As the Trustee of the Church of Ireland, The Representative Church Body is tasked with supporting the ministry of the Church for generations to come. This objective is supported through the prudent management of investments. As a religious organisation, stewardship obligations are more than purely for financial benefit and the RCB has a responsibility to invest in a manner consistent with the witness and ethos of the Church of Ireland.

Approach to ESG

Environmental

Climate impact; greenhouse gas emissions ; energy efficiency; pollution; water scarcity and biodiversity

Social

Human Rights; local community impact and employment; child labour; health and safety and anti-corruption practices

Governance

Executive compensation; board independence and composition; voting and other shareholder rights.

The Trustee is committed to acting diligently and prudently when seeking to deliver strong net returns on its investments and recognises that ESG risks and opportunities should be considered as part of the investment decision making processes. The RCB invests in a variety of asset classes and geographies, using different strategies, and has appointed external investment managers to manage its investment portfolios. Each investment manager's ESG credentials and their capacity to implement the RCB's responsible investment requirements as outlined in this policy are assessed as part of the due diligence and manager selection processes and integrated into the Investment Management Agreements.

How is ESG implemented?

Whilst the RCB encourages its Fund Managers to integrate ESG factors into the investment decision making process it also implements restrictions for investments in certain sectors. The RCB does not invest in companies where a significant source of revenue (in excess of 10%) is derived from the following:

1. the extraction of Fossil fuels (thermal coal, tar sands and oil and natural gas)
2. the production of weapons (including key parts and services)
3. the manufacture of tobacco products

Climate Change and environmental stability are recognised by the RCB as a distinct and critical responsible investment issue. The RCB supports the transition to a carbon neutral economy and has taken significant steps to reduce the climate change impact of its investment portfolios.

The Investment Committee monitors ESG issues on an on-going basis and conducts a detailed ESG review of its investments annually to ensure that the investments held for all funds remain consistent with the RCB's ESG policy and that the investment managers continue to be sensitive to the Church's expectations on environmental, social and governance issues in their investment decision-making process.

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From time-to-time investments may be made in pooled Funds to which ESG criteria may not be applied. The Investment Committee monitors exposure of these Funds to excluded sectors as per the RCB's ESG Investment Policy and shall consider divestment where any material breaches are identified.