

The CBF Church of England Investment Fund

CCLA recognises that the investments within the fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the fund, because healthy markets need a healthy planet and healthy communities.

This report, based on the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), aims to help you understand more about the climate-related financial risks the fund is exposed to and will give you the ability to compare a range of climate metrics with other funds.

To understand the governance, strategy and risk management that CCLA has in place to manage the risks and opportunities related to climate change, please refer to [A climate for Good Investment](#), which also includes our approach to climate related scenario analysis, exclusions and engagement.

Climate metrics are only provided if reliable climate data and appropriate methodologies are available. The assets covered here for both 2024 and 2025 include all listed equities. For 2025 we have also included some alternative assets where reliable data are available. Much of our fixed interest exposure is through externally managed funds. We have obtained climate data from these fund managers, however, as they use a different methodology to calculate their data it is not reported here. We do not have reliable climate data using appropriate methodologies for other asset classes. For more information see [A climate for Good Investment](#) 2025.

Fund size

2025	£2,074 million
2024	£2,153 million

Assets covered¹

2025	73.5%
2024	70.1%

1 The percentage shown here is a combination of the coverage ratio for different asset classes. The coverage ratio is the fund's percentage of each asset class multiplied by the data coverage for the securities of that asset type. 73.5% for 2025 is made up of coverage ratios for equities (65.0%) and alternatives (8.5%). If the total coverage ratio stated is below 100%, it may not represent the fund's total carbon footprint/climate-related impact for the given metrics and is not comparable with other funds. Lower data coverage results in reduced reliability for these metrics.

2 Scopes 1, 2 and 3 are a categorisation of greenhouse gas (GHG) emissions.

Scope 1: GHG emissions that a company makes directly, for example while running its boilers and vehicles.

Scope 2: emissions companies make indirectly that is being produced on its behalf, for example purchased electricity or energy for heating and cooling buildings.

Scope 3: all the emissions associated, not with the company itself, but for which the organisation is indirectly responsible, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

3 The calculation used for the 2024 total carbon emissions assumed a portfolio size of \$1 billion. The 2025 calculation uses the actual portfolio size as at 31 March 2025. This change accounts for most of the disparity in the year-on-year figures provided.

Climate metrics

Carbon footprint

2025	10.0 tCO₂e/\$m invested
2024	10.8 tCO ₂ e/\$m invested

Sums up the Scope 1 and 2 greenhouse gas emissions² in the portfolio based on the investor's ownership share of each of the companies' market capitalisation (in USD) and it is expressed as tonnes of carbon dioxide equivalents (tCO₂e) per \$1 million invested. The larger the number, the greater the contribution to the effects of climate change.

Total carbon emissions

	Scope 1 & 2	Scope 3
2025	28,935 tCO₂e	257,406 tCO₂e
2024 ³	10,850 tCO ₂ e	80,094 tCO ₂ e

Measures the total carbon emissions for which an investor is responsible by their asset ownership. Emissions are apportioned based on asset ownership (% market capitalisation). This measure sums up all the emissions (Scopes 1, 2 and 3) for the assets covered.

Carbon intensity

2025	47.4 tCO₂e/\$m sales
2024	51.3 tCO ₂ e/\$m sales

Measures the carbon efficiency of a portfolio, defined as the ratio of Scope 1 and 2 carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their asset ownership. Emissions and sales are apportioned based on asset ownership (% market capitalisation).

Weighted average carbon intensity (WACI)

2025	33.8 tCO₂e/\$m sales
2024	53.7 tCO ₂ e/\$m sales

Measures a portfolio's exposure to carbon-intensive assets, defined as the portfolio weighted average of assets' carbon intensity (emissions/sales), expressed in tCO₂e/\$1m sales. The larger the number, the more carbon intensive the investments.

Financed emissions (FE)

2025	7.5 tCO₂e/\$m invested
2024	8.5 tCO ₂ e/\$m invested

Represents the financed greenhouse gas emissions (Scopes 1 and 2) associated with the assets covered. The larger the number, the more it is contributing to the effects of climate change.

Scenario analysis

When considering climate related risks, we use both backward- and forward-looking data. Backward-looking data summarises the greenhouse gas emissions of an asset or fund.

Forward-looking data aims to gauge the significance of climate risks on the individual investments within the fund. This is determined using climate scenario models which are complex multidimensional computational tools. They are based on a number of variables: data from climate forecasting models, current observations, assumptions about future socio-economic behaviour and the regulatory landscape.

Due to the numerous assumptions and long-term projections climate models make, there are inherent uncertainties embedded within the results. Therefore, results should be considered with caution as they are estimates of projections, not forecasts. The results should be interpreted on a relative basis as actual future conditions may differ substantially from these projections.

The key forward-looking metrics that we monitor are outlined below.

Climate value at risk (VaR)

This measure quantifies the size of loss on a portfolio of assets over a given time horizon, at a given probability, for three different scenarios. See [A Climate for Good Investment](#) for details of these. The climate VaR is an aggregate figure comprising:

- Policy climate VaR: captures each asset's share of the costs of regulatory and policy changes in order to meet each country's emission reduction target.
- Technological opportunities VaR: illustrates which assets will be the likely beneficiaries if/when climate policies are implemented on a country and global level.
- Physical climate VaR: indicates costs to business interruption associated with extreme weather.

The following table reflects the impact the costs of transition will have on reducing the profitability of the companies in which the fund invests.

Metric	2025 (%)	2024 (%)
Orderly		
Policy climate VAR	-3.6	-1.9
Technological opportunities VAR	0.8	0.1
Physical climate VAR	-1.3	-3.1
Aggregated climate VAR	-4.1	-4.9
Disorderly		
Policy climate VAR	-1.4	-1.2
Technological opportunities VAR	0.2	0.0
Physical climate VAR	-2.0	-3.1
Aggregated climate VAR	-3.2	-4.3
Hot house world		
Policy climate VAR	-0.7	-0.3
Technological opportunities VAR	0.1	0.0
Physical climate VAR	-2.5	-3.9
Aggregated climate VAR	-3.1	-4.3

What CCLA is doing to mitigate this risk

Climate change is a systemic and non-diversifiable risk, this means that it is not possible to avoid the negative implications through asset selection alone. For this reason, it is essential that investors with net-zero targets have credible and consistent approaches to pushing for 'real world' decarbonisation.

There are two ways to pursue net-zero listed equity portfolios: 'transactions' and 'action'.

1. **Transactions** is the attempt to reduce carbon emissions in an investment portfolio by selling high carbon assets and purchasing low carbon ones. While this will reduce the footprint of the portfolio, it is unlikely to have an impact on the real world as the assets will be purchased by another investor and continue to emit.
2. **Action** is where the investor works with companies to incentivise them to take steps to reduce their footprint. While slower, this approach decarbonises portfolios by genuinely reducing emissions and, in so doing, contributes to 'real world' decarbonisation.

As part of our commitment to 'action', we are seeking to drive decarbonisation through dialogue with the companies in which we invest and by engaging with public policy makers, while setting a year-on-year maximum carbon footprint ceiling for our listed equity investments (see [A Climate for Good Investment](#)).

Implied temperature rise

The implied temperature rise (ITR) captures a company’s contribution to rising temperatures. The metric aims to quantify the alignment of the fund’s activities against future temperature goals such as the Paris Agreement’s maximal goal of mean surface temperatures not breaching 1.5°C.

2025	2.0°C
2024	1.9°C

Important information

Data source: MSCI, as at 31 March 2025 and 31 March 2024.

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. We strongly recommend you seek independent professional advice prior to investing.

The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money.

Any forward-looking statements are based on CCLA’s current opinions, expectations and projections. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

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