CCLA and the Montreal Pledge

CCLA recognises that climate change, and associated changes in governmental policy, pose a threat to shareholder value over the long-term. As part of our commitment to deliver the best possible investment returns for our clients we have developed an integrated approach to considering climate change in the management of the funds under our stewardship. This avoids investment in companies who generate a significant amount of their revenue from the extraction of energy coal or tar sands, has prioritised productive engagement with extractives and utilities sector companies and supports the Institutional Investors Group on Climate Change in their work with public policy makers.

We are also signatories to the Montreal Pledge. This is supported by the United Nations Principles of Responsible Investment and the United Nations Environment Programme Finance Initiative and calls upon investors to commission a carbon footprint of their portfolio in order to help them 'better understand, quantify and manage climate related impacts, risk and opportunity.' It has been signed by 120 investors with assets under management of over US$10trillion. As part of this commitment we have commissioned our ESG data provider, MSCI, to provide analysis of the carbon footprint of the equities contained within the COIF Charities Ethical Investment Fund (one of our three flagship multi-asset funds).

As at May 2017, the timing that the analysis was conducted, the combined Scope One and Two[1] Carbon Footprint of the Fund was 54.7 tons of Carbon Dioxide equivalent per million dollars invested (tCO2e/$m invested). This compared favourably to the MSCI World Index which had a scope One and Two footprint of 135.5 tCO2e/$m invested.

Whilst the carbon footprint analysis has helped us to further identify and analyse the key sources of climate risk within our portfolio and we anticipate that our footprint will decline over the long-term we will not be setting emissions reductions targets at the present time.

[1] Scope One includes all direct emissions, Scope Two includes emissions generated through the purchase of energy, and Scope Three all other indirect emissions either up or downstream of the product being created.