

# ACAT Conference 2024

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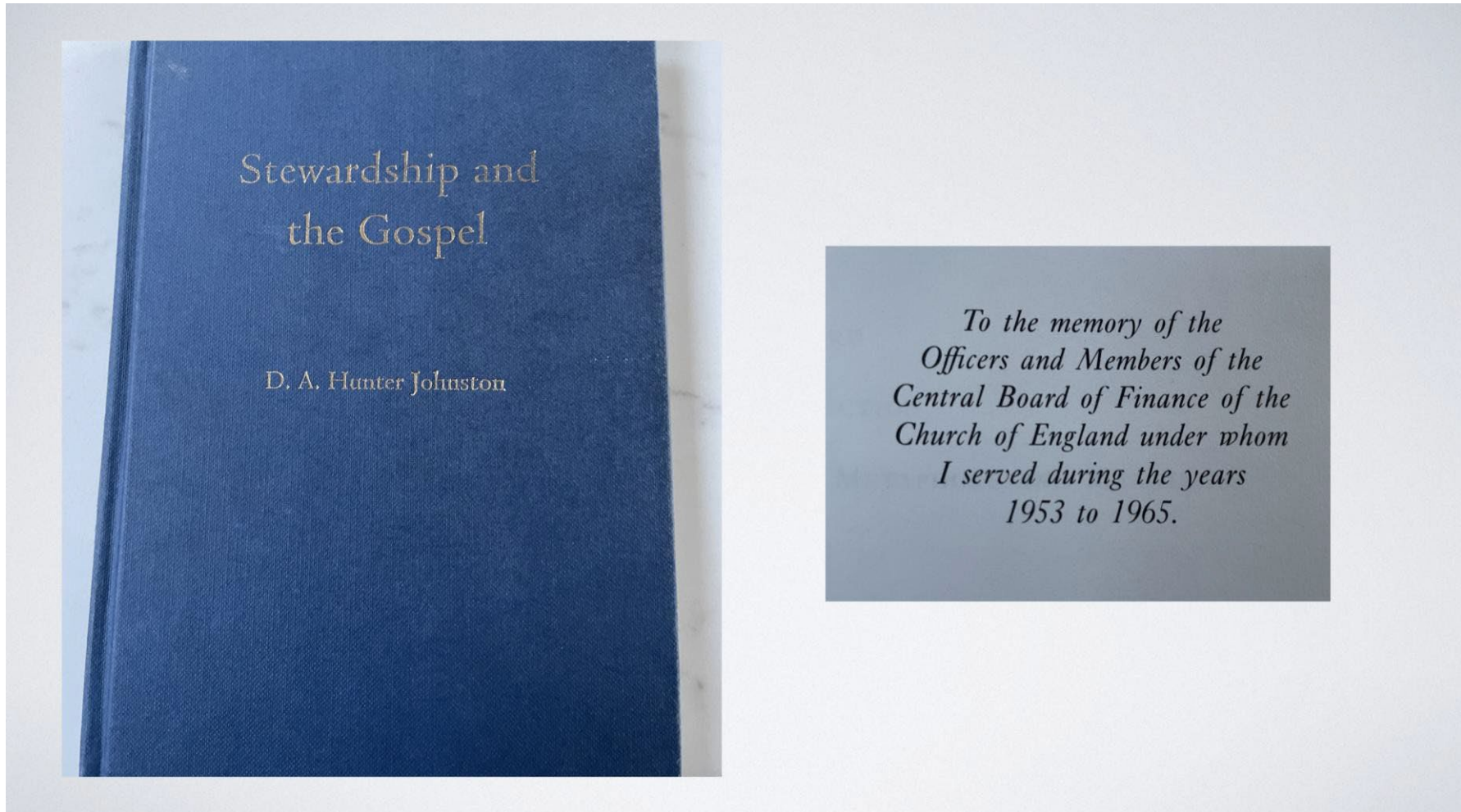


# Faith Consistent Investing CCLA's Toolbox for Change

Presented  
by

**Andrew Robinson MBE**  
Executive Director

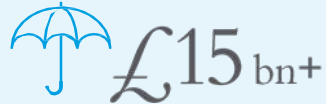
# Stewardship and the Gospel



# A force for good investment



Largest manager of UK charities both by size of assets and volume of clients<sup>1</sup>



£15.4 billion in assets under management, of which c.£7 billion<sup>2</sup> is in global equities



£17.9 trillion of assets supporting CCLA initiatives in mental health, climate change and modern slavery<sup>3</sup>

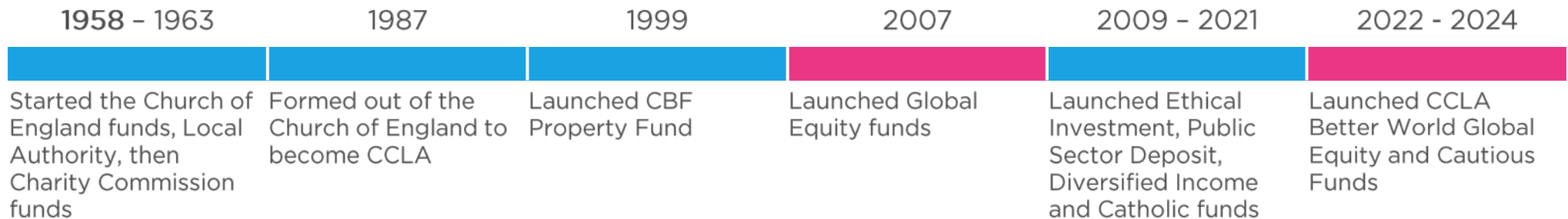


Score from PRI for listed equities



Team of staff supporting clients across the UK

## A history of ethical and sustainable investing spanning more than 60 years:



<sup>1</sup>Fund Management Survey 2023 published by Charity Finance.

<sup>2</sup> & <sup>3</sup>CCLA, 31 August 2024.



‘Investment stewardship’ is emerging as a distinct discipline, which, if it reaches its full potential, may also help demonstrate the social utility of finance as a public good. It is, after all, other people’s money.

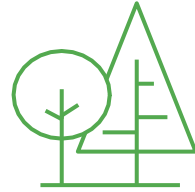
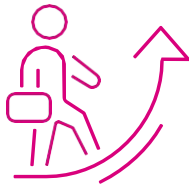
Deborah Gilshan

Founder, The 100% Club

Source: Deborah Gilshan (5 May 2023), ‘Every model of capitalism will need investment stewardship’, in *Financial Times*.  
Online at [www.ft.com/content/19526971-6f4c-43b0-990d-697247d648d6](https://www.ft.com/content/19526971-6f4c-43b0-990d-697247d648d6)

# Sustainability themes

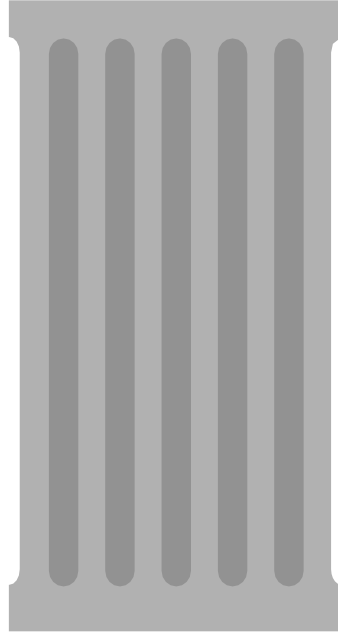
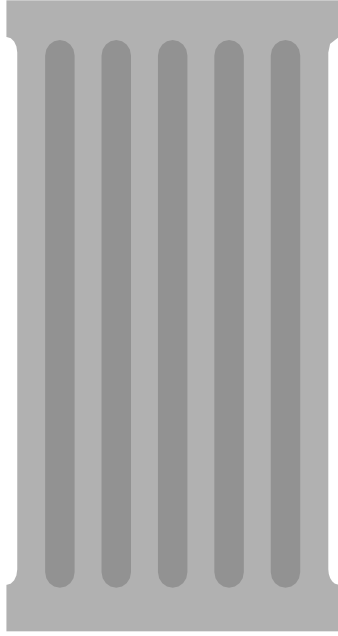
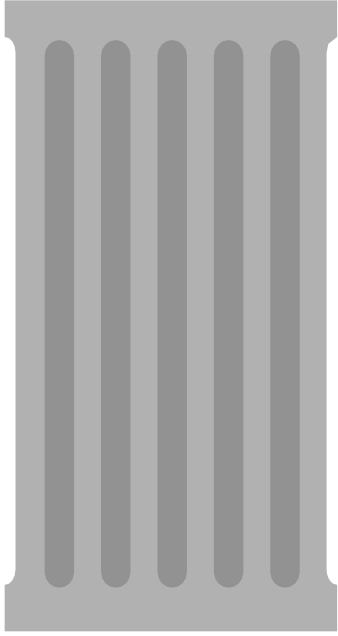
CCLA's initiatives fall under three pillars



Better work

Better health

Better environment



Combined these will help make a Better World

# Better world engagement themes



Better work



Better health



Better environment

Modern slavery

Workplace mental health

Climate reduction

Human & labour rights

Nutrition & obesity

Financial services & climate

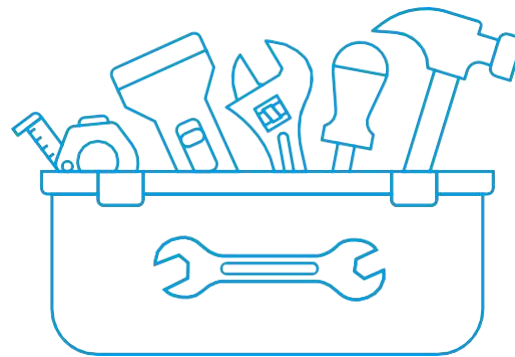
Living Wage

Transition plan voting

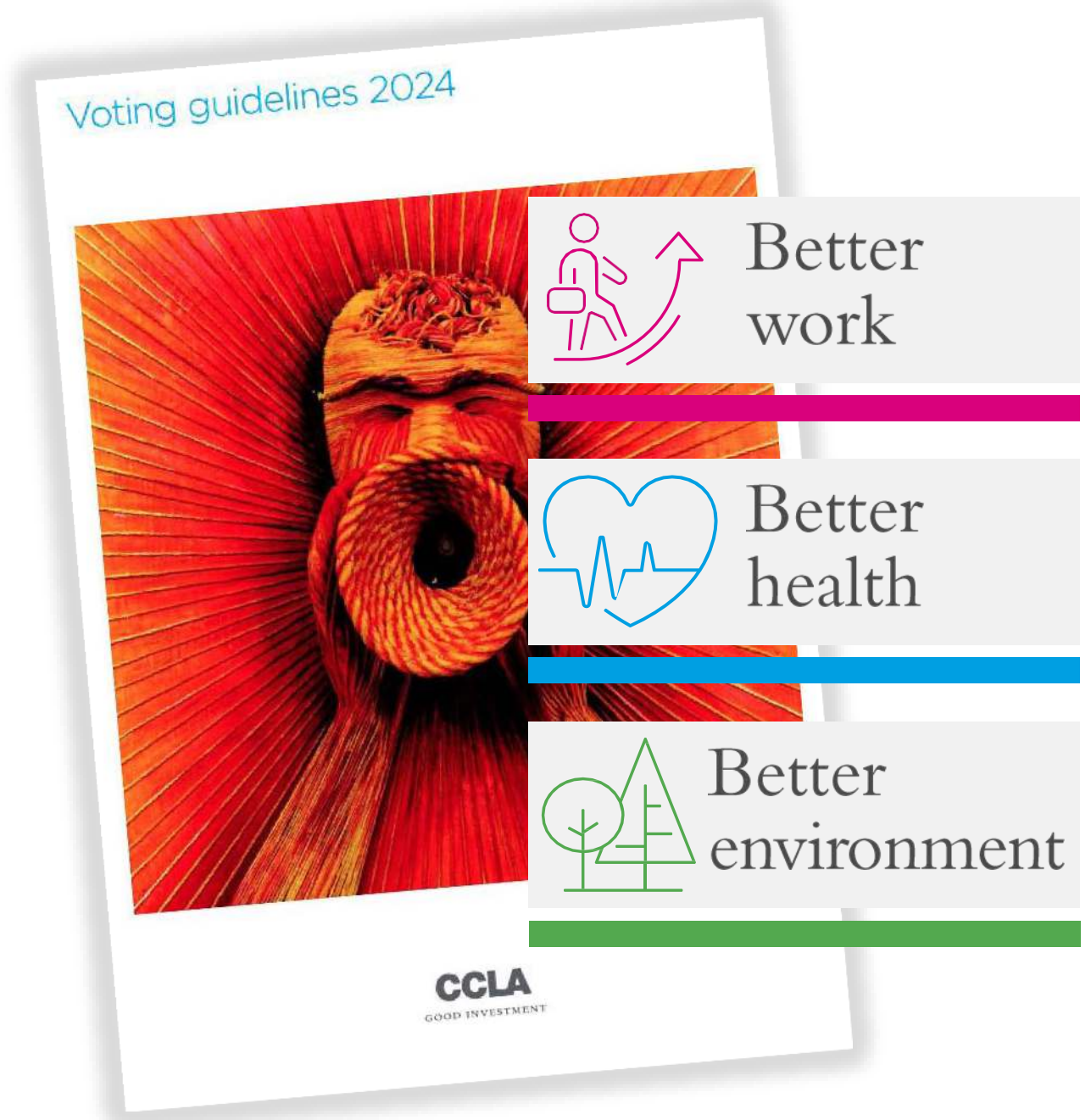
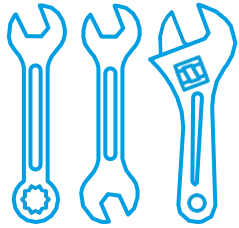
Semiconductors in Russian weaponry

Biodiversity

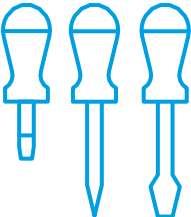
# Tools for change



# Voting



# Company engagement



Better work



Better health



Better environment

Modern slavery

Human & labour rights

Living wage

Semiconductors in Russian weaponry

Workplace mental health

Breast milk substitutes

Nutrition & obesity

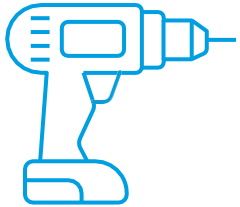
Carbon reduction

Financed emissions

Transition plan voting

Nature & biodiversity

# Shareholder collaboration



Better work



Better health



Better environment



# Filing shareholder proposals



Better  
work

**amazon**

- Independent assessment of commitment to freedom of association
- Voted in May 2023



Better  
health



- Disclose sales of healthy products
- Set targets to increase sales
- Successfully withdrawn



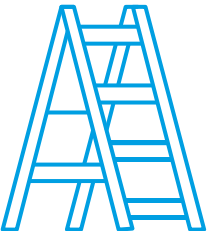
Better  
environment


**Bank of America**



- Climate transition plan disclosure
- Voted in April 2023

# Policy engagement



 Better work

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 Home Office

 House of Commons  
Home Affairs Committee

 Better health

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 Department of Health & Social Care

 Department for Environment Food & Rural Affairs

 Better environment

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 Powering PastCoal Alliance

 Government of Canada

 UK Government



UK companies

## Only 5% of FTSE 100 companies have 'credible' climate transition plans, says EY

...“We believe there should be disclosure of robust transition plans, and governance and accountability mechanisms that support their delivery,” said Tessa Younger, 'better environment' lead at CCLA, at the...

APRIL 3, 2023



UK immigration

## Investors warn food companies about risk of forced labour on UK farms

...CCLA chief executive Peter Hugh Smith said the investor group hoped to push companies to discuss the issue “in the boardroom”...

DECEMBER 19, 2022



Compass Group PLC

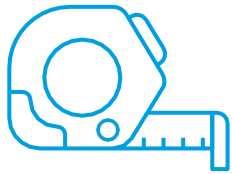
## Compass faces 'critical questions' on food parcels for children

...Large shareholders in Compass including Legal and General Investment Management, the UK's largest asset manager, CCLA, a specialist investment group for charities and local authorities, and M&G, the listed...

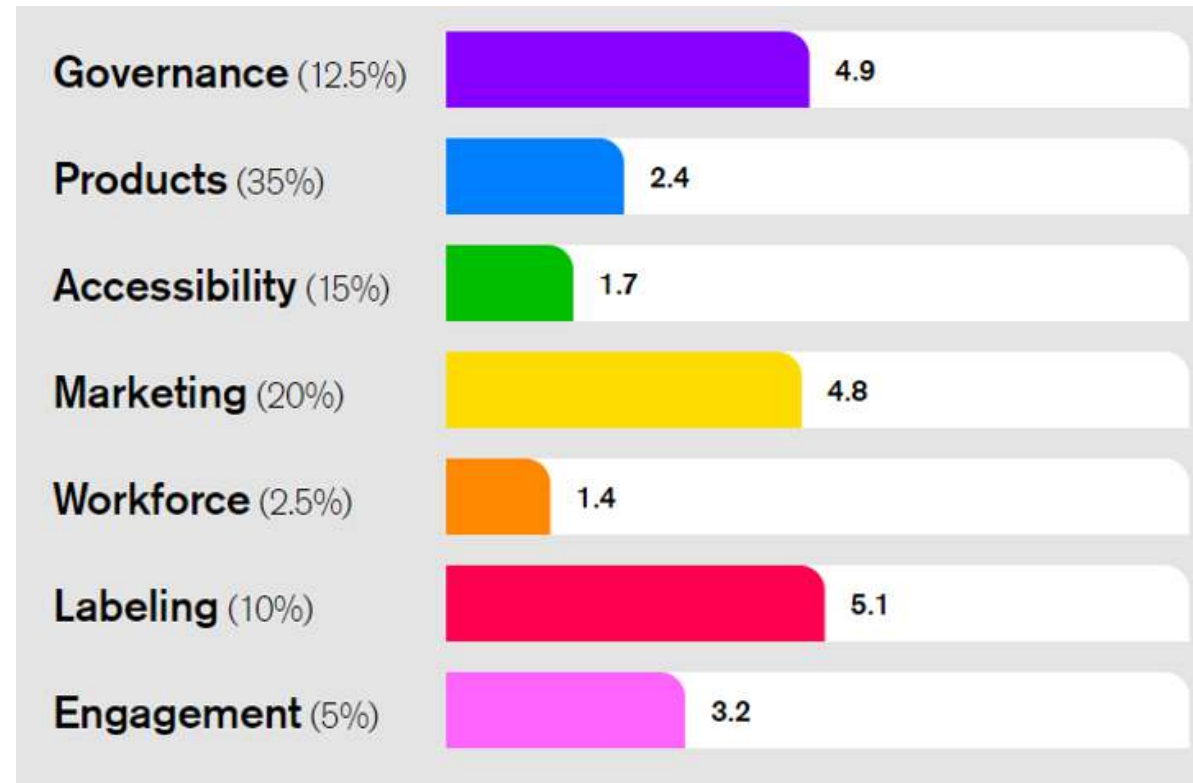
JANUARY 13, 2021

Source: CCLA and *Financial Times*.

# Data and performance measurement

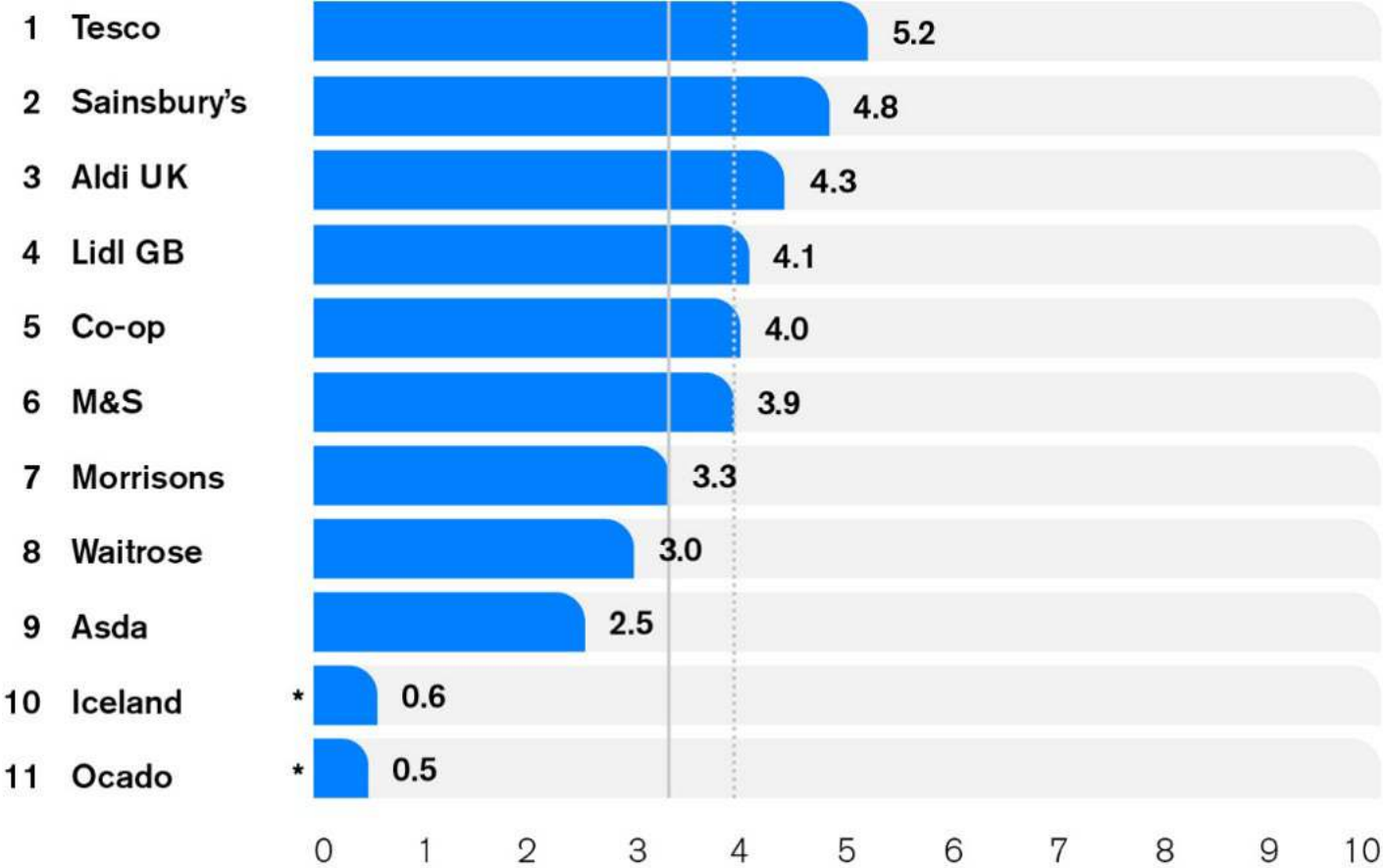
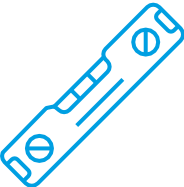


- CCLA uses 8 data providers, with 17 feeds
- Enables us to set stretching, supportive and meaningful targets for investee companies



Source: National Institute of Standards and Technology (NIST) (2016), 'Going the distance on National Tape Measure Day'. Online at <https://www.nist.gov/blogs/taking-measure/going-distance-national-tape-measure-day#:~:text=Tape%20measures%20are%20indispensable%20tools,know%20the%20length%20of%20something>

# Peer comparison

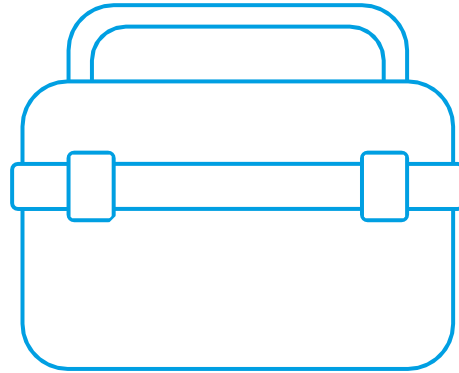


\*Did not provide information to ATNI

| Average score (3.3)    : Median score (3.9)

Source:  
<https://accesstonutrition.org/the-indexes/uk-retailer-index-2022>

# Divestment



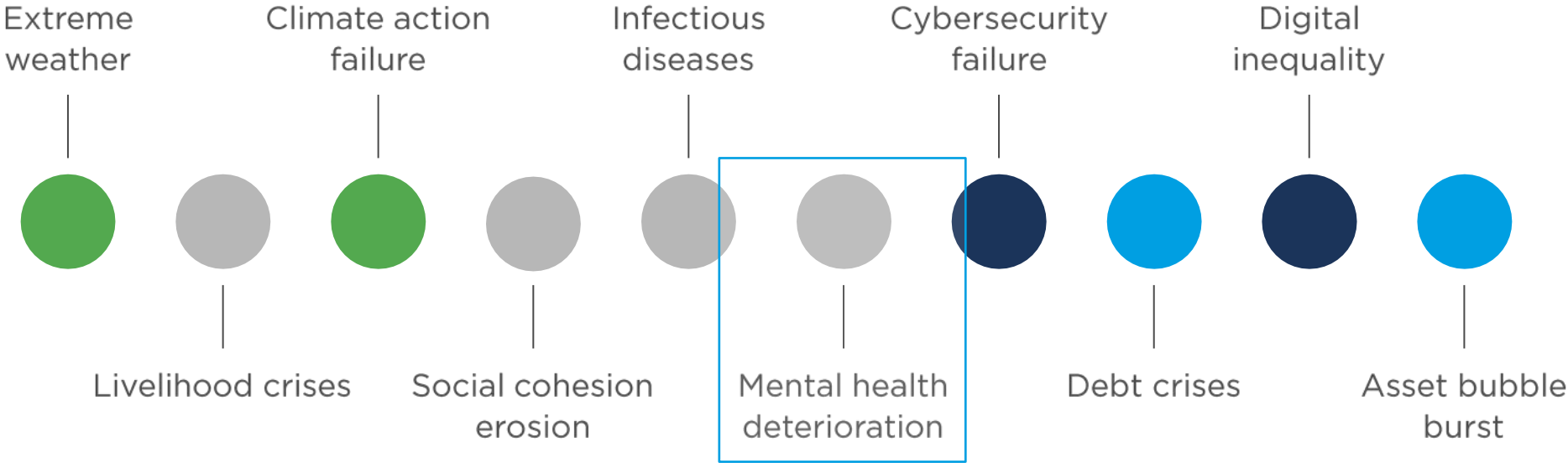
Closing the toolbox and walking away.

What does this  
look like?

# Mental health benchmark case study

# Top short-term economic risks for investors

Over the next two years

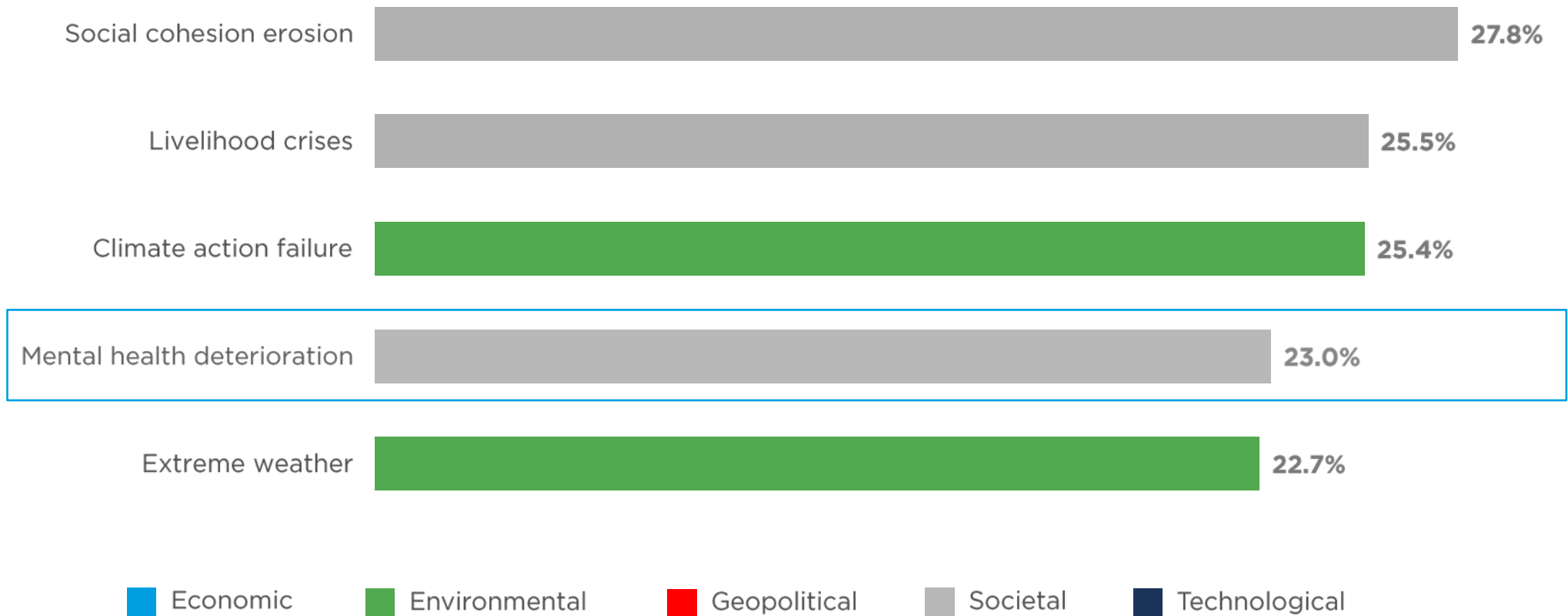


■ Economic   ■ Environmental   ■ Geopolitical   ■ Societal   ■ Technological

Source: World Economic Forum Global Risks Report 2021.

# Mental health deterioration – a top five global risk

## Risks that worsened the most since the start of the Covid-19 crisis



Source: World Economic Forum Global Risks Report 2022.

# Why mental health?



Mental ill-health at work costs business billions...  
...an average cost of US\$1,900 per employee every year\*

That equates to an annual estimated loss of...

- **\$2.7 billion** for Amazon
- **\$506 million** for JP Morgan Chase
- **\$380 million** for McDonald's
- **\$149 million** for Pfizer
- **\$135 million** for Tesla
- **\$50 million** for PayPal



Improving the mental health of an organisation saves money...  
...an average return of **\$5.30 for every \$1 invested\*\***

Source: \*Deloitte (2020) 'Mental Health and Employers: Refreshing the Case for Investment'.

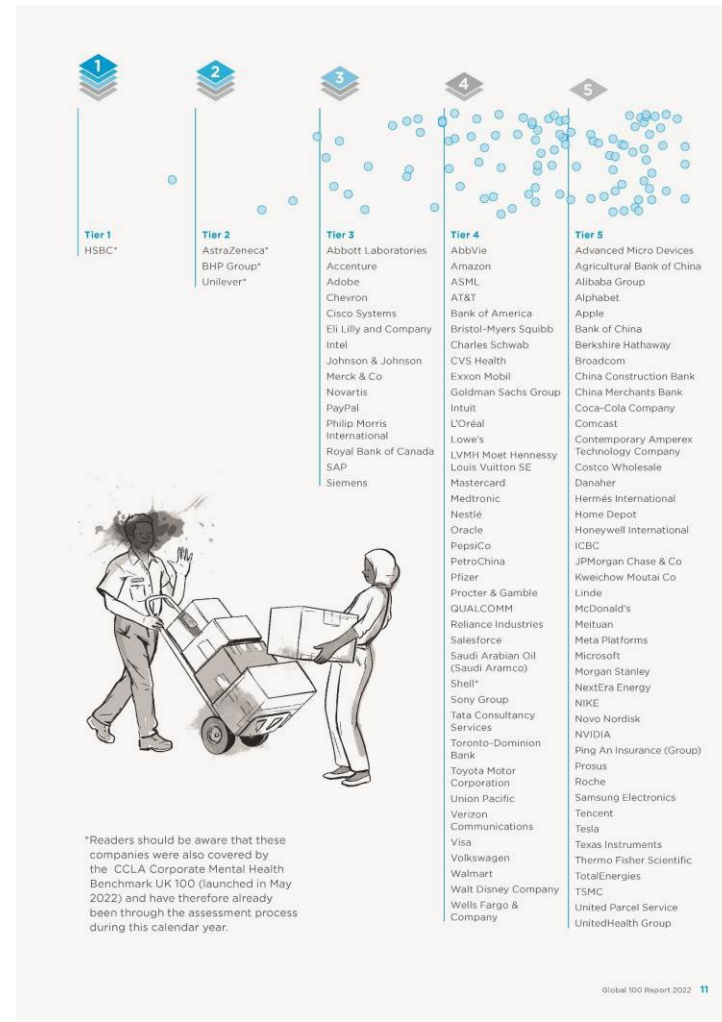
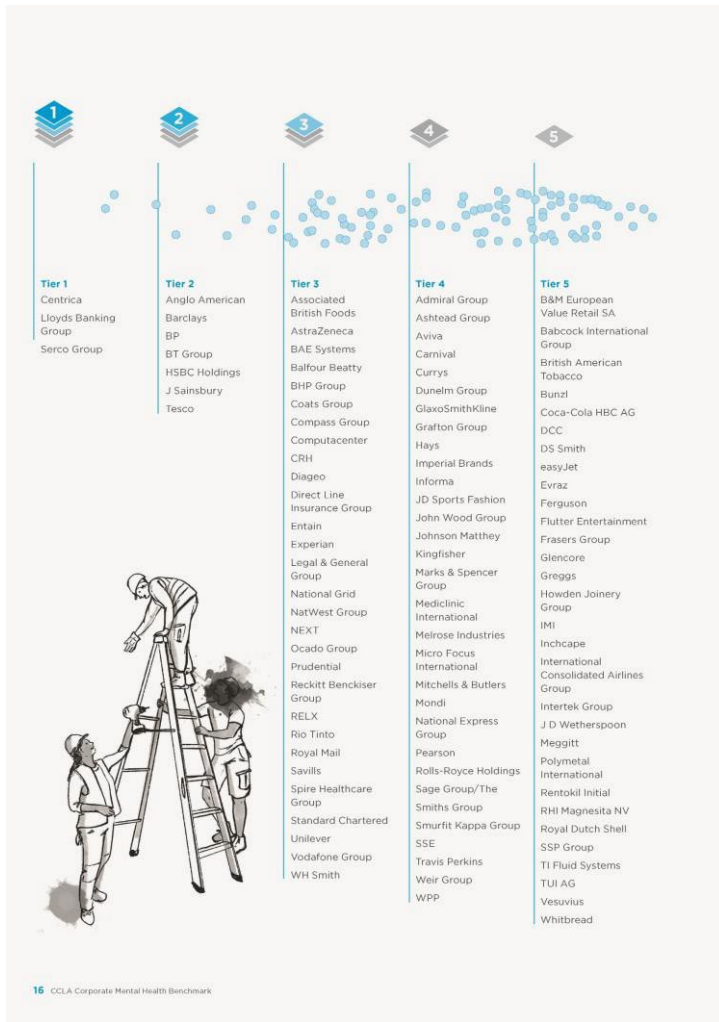
Online at [www2.deloitte.com/uk/en/pages/consulting/articles/mental-health-and-employers-refreshing-the-case-for-investment.html](http://www2.deloitte.com/uk/en/pages/consulting/articles/mental-health-and-employers-refreshing-the-case-for-investment.html)

\*\* [deloitte-uk-mental-health.report.2022.pdf](https://www.deloitte-uk-mental-health.report.2022.pdf)

# Corporate mental health benchmark - 2022 company rankings

UK 100 benchmark, launched May 2022

Global 100 benchmark, launched October 2022



# Global investor coalition on workplace mental health

# Global investor statement on workplace mental health

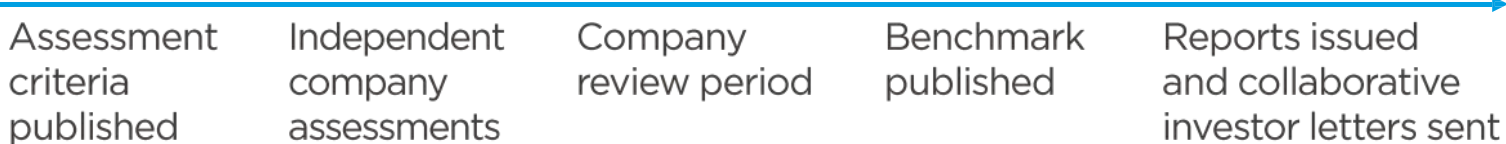
Now with the support of

**55** signatories

**\$9.9** trillion AUM

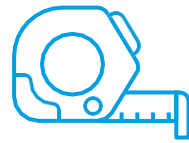
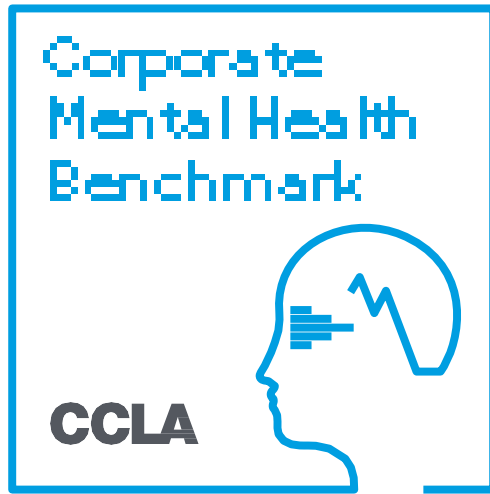


### Annual assessment

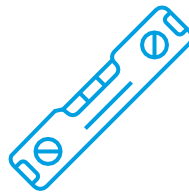


Source: CCLA, September 2024.

# Tools for change



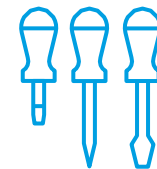
Data and performance measurement



Peer comparison



Media



Company engagement



Shareholder collaboration

## Mental health engagement: 2023 outcomes

### Assessment

**207** companies assessed  
in 2023

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### Engagement

**119** companies engaged  
with us in 2022/23

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### Impact

**42** companies moved up one  
or more performance tier,  
of which **14** owned in  
CCLA portfolios

Source: CCLA, as at 31 December  
2023.

# Mental health benchmark

## 2022-24 tier improvers

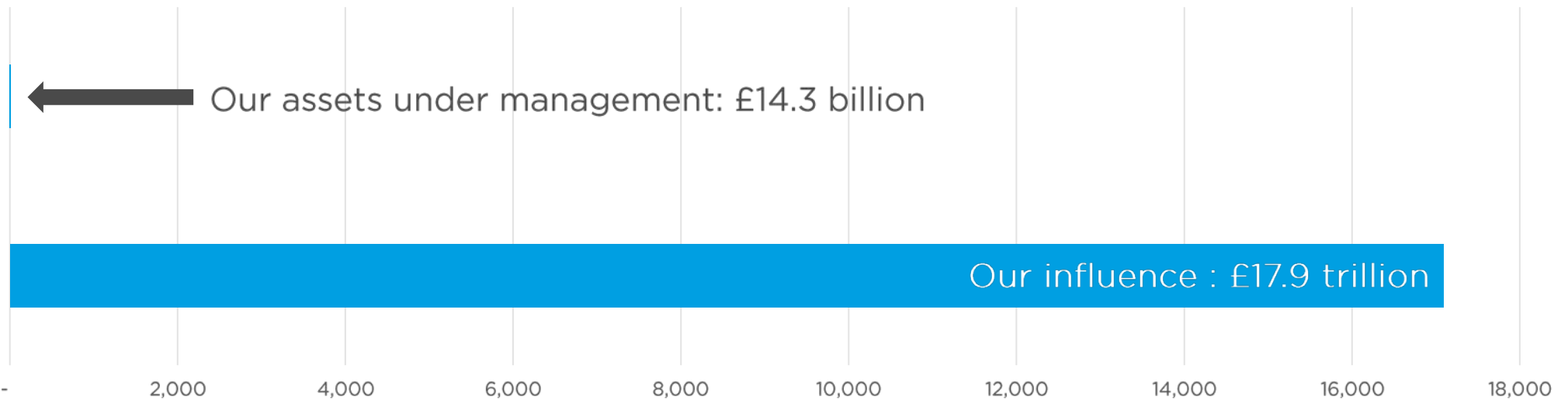
Admiral Group	Hermès International	Rio Tinto
Alibaba Group	Honeywell	Roche Holding
Associated British Foods	HSBC Holdings	Rolls-Royce Holdings
B&M European Value Retail	IMI	Sage Group
Balfour Beatty	Imperial Brands	Shell
Bristol-Myers Squibb Co	Inchcape	SSE
BT Group	J D Wetherspoon	SSP Group
China Construction Bank Corp	J Sainsbury	Taiwan Semiconductor Manufacturing Co
Coca-Cola HBC	John Wood Group	Tencent
CRH	JPMorgan Chase & Co	Thermo Fisher Scientific Inc
Diageo	Legal & General Group	T-Mobile
DS Smith	L'Oreal	Toronto-Dominion Bank/The
Dunelm Group	LVMH Moët Hennessy Louis Vuitton SE	TotalEnergies
easyJet	Mastercard Inc	Toyota Motor Corp
Entain	Meituan	Travis Perkins
Experian	Mondi	Unilever
FirstGroup	Morgan Stanley	Weir Group
Flutter Entertainment	NatWest Group	Whitbread
Frasers Group	NIKE	
Glencore	Novo Nordisk	
Goldman Sachs Group	Prudential	
Grafton Group	Reliance Industries	
Hays		

4.5 million  
employees  
worldwide

Source: CCLA October 2024.

# Assets vs influence

- Our ability to do good in the world extends far beyond the assets that we manage.
- Our sustainability initiatives are supported by:
  - 112 investors
  - In 15 countries
  - Across four continents



Source: CCLA, as at May 2024.

‘The Church is a perpetually  
defeated thing that always  
outlives her conquerors.’

Hilaire Belloc

# ACAT Conference 2024

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