



COUNCIL OF LUTHERAN CHURCHES

*Registered office: 30 Thanet Street, London WC1H 9QH, United Kingdom
Registered charity 232042; Company limited by guarantee no. 557552*

Council of Lutheran Churches: Asset Owner Stewardship Code Statement

THE COUNCIL OF LUTHERAN CHURCHES welcomes the Stewardship Code and its underlying principles. First published in 2010 by the Financial Reporting Council the UK Stewardship Code aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to shareholders. As a responsible investor The Council of Lutheran Churches takes seriously its role as an owner of the companies in whom our investment managers invest on our behalf. Whilst the Stewardship Code only applies to UK listed companies, where possible, the Council of Lutheran Churches seeks for its response to be applied to all of its investment assets regardless of asset type or geography.

Principle 1: Institutional investors should publically disclose their policy on how they will discharge their stewardship responsibilities.

The Council of Lutheran Churches is a responsible investor, following the principles of the Church of England's Ethical Investment Advisory Group. We do not manage our investments in-house but seek to select investment managers who are committed to both the integration of environmental, social and governance factors into their investment process and seek to conduct active stewardship with the companies they invest in on our behalf.

We expect our investment manager (currently Cazenove Capital Management) to routinely monitor the companies in whom they invest on our behalf. We also expect our investment manager to escalate engagement where there are concerns in regards to an investee company's performance, strategy, governance or the management of environmental or social risk. As per the Charity Commission's guidance the Council of Lutheran Churches encourages our investment manager to engage with investee companies on issues that further our underlying values. When, over time, engagement is not successful we expect our investment manager to consider divestment.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

Trustees of the CLC have a duty to promote and protect the interests of the CLC. Any relationship that they might have with another group (e.g., their particular congregation, business interests or other investments) or individual must not interfere with their responsibilities as a trustee of the CLC.

Any trustee who has a conflict of loyalties should declare this and it should be included in the register of interests. They should also declare the interest at the beginning of any meeting at which an issue is to be discussed that is subject to the conflict and should take no further part in the discussions on the issue. This will help to ensure transparency and avoid any accusations of impropriety.

Principle 3: Institutional investors should monitor their investee companies.

Because the Council of Lutheran Churches does not manage our investments in-house we have delegated responsibility for monitoring investee companies to our investment manager. The Council of Lutheran Churches meets regularly with its investment manager to monitor its investment decision making and assess how they are discharging stewardship responsibilities on our behalf.

The Council of Lutheran Churches does not seek to become an insider.



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Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

The Council of Lutheran Churches has delegated its responsibility for stewardship to its investment manager who we expect to have a clear procedure for escalation should concerns arise. To monitor their activity we expect our investment manager to report their stewardship priorities to us on a periodical basis. The Council of Lutheran Churches also expects its investment manager to reconsider investment in companies who, after a period of time, are not responding to engagement.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate

The Council of Lutheran Churches recognises the value of collective engagement. As such we encourage our investment manager to seek to act collectively with likeminded investors whenever appropriate.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity

The Council of Lutheran Churches believes that proxy voting forms an integral part of the routine monitoring of investee companies. We delegate our voting responsibilities to our investment manager who we expect to vote all of our holdings in a manner that reflects both our position as a responsible investor and our underlying mission where practical to do so. The Council of Lutheran Churches routinely monitors our investment manager's policy and activity in this area.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

The Council of Lutheran Churches expects its investment manager to report details of their stewardship activity on a regular basis.

Approved by the Board of Trustees, 16 December 2014.

Handwritten signature of Revd Torbjørn Holt.

Revd Torbjørn Holt
Chairman

Handwritten signature of Jan-Eric Österlund.

Jan-Eric Österlund
Treasurer

Handwritten signature of James Laing.

James Laing
General Secretary

For further information on our investments and policies, please contact the General Secretary on enquiries@lutheran.org.uk