**Alan McLean QC’s address to General Synod 2020**

“After that review of what has happened in this field over the past year [from Rev Diana Hall], a glimpse of the work that the EIAG has ahead of it:

“As a group, we have had to wrestle, and we continue to wrestle, with many difficult questions related to ethical investment. Here are some of them:

* How do we decide what the “SEC’s ethical views” actually are at any given time, and how do we provide for those views developing in the future, as they will do?
* On the issue of fossil fuels, what ethical advice should we give about investment in companies that do not extract fossil fuels, but do make significant use of them?
* How do we treat companies that, although they do extract fossil fuels, are now looking to become leading investors in green energy – such as Total, or Shell? In other words, how do we balance the issues involved when a company that does things we don’t like also starts doing things we value very much?
* To what degree and how should we shift the focus of advice from “fossil fuel *divestment*” to “carbon neutral *investment*”?
* More broadly, how do we go beyond the SEC’s existing exclusionary rules towards positive engagement, to achieve good ends, given the limitations we must recognise in our resources, as a small church - and as a relatively small investor?
* Practically, how and how often do we monitor investments over time, to check that any exclusionary or other rules are being adhered to?
* How do we set appropriate guidelines for the use of pooled funds, when we are agreed as a group that, from an investment point of view and given the scale of our investments, they provide a highly appropriate way of managing the UTP?
* How do we maintain for the Investment Committee the reasonable leeway it needs to continue to fulfil its various mandates to preserve the UTP and support the mission of the church, bearing in mind the need for investment decisions to be taken with a view to the medium to long term, rather than the short term?
* How should the SEC select and then monitor any fund manager or managers advising on investments?

“As a group, we frankly acknowledge that we have found these, and other issues we have reviewed, challenging, and there are no simple answers to many of these questions. Notwithstanding that many other churches, charities and other bodies have sought to try to address these same issues, there are a wide variety of different approaches that have been adopted, and are being adopted, over the years – these provide helpful models, but none is likely to fit our specific needs without modification.

“Furthermore, the playing field, in terms of investment options, is also changing rapidly and offering more alternative approaches as, for example, scientific, political and public perceptions of global warming move on. Given the pace of change, in various respects our interim report is already out of date.

“However, as a group, we have a mandate from Standing Committee to carry on the important work we have started, and that is what we are doing and will go on doing. Our plan is to produce advice that is not only ethical but also practical, holding in tension the many differing views within the Church on these issues, and having adequate regard to the underlying realities of the SEC’s needs and resources.

“The most important thing is to carry on moving forward in dialogue, constructively, to deliver lasting, truly ethical, yet truly practical, advice which our church can actually put into effect, that will hold good whatever the global economy throws at the UTP in the months and years ahead.

“As a group we will greatly value, and reflect on, any comments that Synod may offer on our interim report at this point in our journey.”