



August 12, 2024

The Honorable Jim Jordan  
Chairman  
House Judiciary Committee  
2138 Rayburn House Office Building  
Washington, DC 20515

The Honorable Thomas Massie  
Chairman  
Subcommittee on the Administrative State, Regulatory Reform, and Antitrust  
2453 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Jordan and Chairman Massie:

We write today in response to your July 30, 2024, letter requesting information on our responsible investing strategies as they relate to climate goals. Our faith-based, investor-focused work on climate is something we are proud of, and we welcome this opportunity to educate and foster a more nuanced understanding of responsible investing and the positive role it plays in achieving environmental, social, financial and economic goals.

### **About Us**

Established in 1909, United Church Funds (UCF) is the leading provider of investment management and planned giving services to the United Church of Christ (UCC) churches and ministries, as well as faith-based organizations beyond the UCC. As a faith-based fiduciary, UCF offers sustainable and responsible investments designed to help non-profit organizations grow and preserve their financial legacies. Our family of funds enables churches and ministries to customize their investment portfolio according to their risk tolerance, time horizon and return objectives.

### **Inquiry Answers**

In response to the questions you have posed, we provide the following answers:

United Church Funds (UCF) has a dual mandate of earning competitive returns for our clients while also seeking a just and sustainable world. UCF views rising levels of greenhouse gas (GHG) emissions as an investment risk for the long-term returns and sustainability of its investment portfolio as well as deeply troubling, in light of the Christian theology of creation care.

As a financial ministry of the United Church of Christ (UCC), UCF is inspired by the UCC's notable legacy of climate justice advocacy, which has highlighted the fact that climate burdens do not fall equitably across all communities.<sup>1</sup> This is why one aspect of UCF's climate justice advocacy is to support tribes and Indigenous communities as they exercise their legal rights to challenge pipelines, mines and other extractive projects that desecrate their ancestral lands and threaten their way of life and well-being. Similarly, UCF advocates for low-income communities and communities of color that are disproportionately burdened by the harmful effects of toxic emissions and chemicals. UCF's climate justice work also addresses the impacts of biodiversity loss, deforestation and the toxification of land, water and air. All of these issues have a profound negative impact on individuals and communities and on the long-term functioning of our economy and our planet.

A significant part of UCF's climate justice work is engaging companies on ways to mitigate climate change. Specifically, with respect to portfolio companies on the Climate Action 100+ focus list, we seek from them following actions:

1. Implement a strong governance framework which clearly articulates board accountability and oversight of climate change risk;
2. Take action to reduce greenhouse gas emissions across the value chain, including engagement with stakeholders such as policymakers and other actors to address the sectoral barriers to transition. This should be consistent with the Paris Agreement's goal of limiting global average temperature increase to well below 2°C above pre-industrial levels, aiming for 1.5°C. Notably, this implies the need to move towards net-zero emissions by 2050 or sooner; and,
3. Provide enhanced corporate disclosure and implement transition plans to deliver robust targets. This should be in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and other relevant sector and regional guidance, to enable investors to assess the robustness of companies' business plans and improve investment decision-making.

UCF begins all engagements by seeking meetings with the appropriate corporate leaders to discuss climate concerns. Every meeting focuses on at least one of the three goals that are stated above around strong governance, climate action and critical disclosures. In many cases, UCF will bring subject matter experts related to the goals listed above to share material concerns.

If UCF believes that a company is making insufficient progress on these goals through the dialogue process stated here, UCF, as a shareholder, retains the right to escalate its concerns by requesting a meeting with the company's Board of Directors, making a statement at the Annual General Meeting of Stockholders or by filing a shareholder resolution to be voted on by fellow shareholders.

Addressing systemic and global issues like toxic emissions coming from greenhouse gas emissions requires a concerted effort. While UCF always acts independently, we believe that it is important for industry leaders to understand that concerns about GHGs are not ours alone. Climate Action 100+ enables us to identify and work with other investors who share our views about the materiality of climate risk and the responsibility of corporations across all sectors to make shifts in behavior that put the global economy on a more sustainable path. We believe that if investors do not collectively speak up about climate issues, then not only long-term investment returns but the planet itself will suffer.

### **Conclusion**

Our mission as a sustainable and responsible investor is deeply rooted in our values as a faith-based organization, grounded in two fundamental tenets of the Christian faith: care for creation and love of neighbor. These guiding principles resonate among the nearly one million members of our denomination and are shared by many other denominations and religions worldwide.

But these are not simply ethical and moral values; they are also a prudent approach to managing investment risks and creating investment opportunities. Addressing climate-related risks not only aligns perfectly with our responsibilities as a faith- and values-aligned investor, but it also enhances our ability to identify systemic investment risks associated with a changing climate and its devastating impact on vulnerable communities. At the same time, as fiduciaries promoting climate justice in the capital markets, we are supporting corporate supply chain resilience, stakeholder trust, shareholder value and brand equity, all of which are essential to promoting the long-term stability and sustainability of diversified investments, and to ensuring a strong and growing economy and a legacy of sustainability for future generations.

We welcome any questions that the House Judiciary Committee or Subcommittee on the Administrative State, Regulatory Reform, and Antitrust may have.

Sincerely,



Charles Buck  
President and CEO