

Currently AKI conducts three engagement projects:

### **1) Church investors campaign for sustainability in the financial sector—Commitment to the formulation and implementation of ethically sustainable policies of German credit institutions and asset managers**

The engagement with currently four big financial service providers accrues from the daily routine of the those in charge of church finances and pools their sustainability activities in the AKI. The engagement talks are the immediate implementation of the regular dialogue with credit institutions and fund managers on ethically sustainable issues as demanded in the *Guideline* (pp. 36 f.).

Aim of the talks usually taking place on an annual basis is to consolidate more reliably ESC aspects in the core business of banks and asset managers. This involves for example the improved sustainability policies for lending and compensation practices as well as their specific implementation.

The engagement is carried out through private conversations of the AKI expert group Finance with representatives of the companies' management/board of directors as well as the departments Investor Relations, Institutional Customers and Sustainability. As a rule, confidentiality is agreed for these talks.

### **2) Living Wages—Livelihood security in the supply chain of the textile sector**

This three-year project in cooperation with the *Südwind* Institute aims at a dialogue with seven German textile companies on the issue of living wages in the supply chain. Today other shareholders often also address aspects such as security, fire safety etc., which are demanded by »their« companies. However specific issues, such as the question if a family of four with two fully employed adults can live on the wages paid by the textile supplier industry in Bangladesh or Rumania, are typically Christian motivated concerns of church investors. Wage accounting and pertinent information is procured with the assistance of church and other partners from international ecumenical Christianity, and serve as a basis for talks with German-based companies. If there is a need for action in their supply chains, solutions are sought in cooperation with the companies, targeting the remedy of the grievances in question, given that they represent severe reputational risks for their businesses. Likewise, the *Textiles Partnership* initiated by the German Federal Minister for Economic Cooperation and Development Gerd Müller is an important topic in these talks with the companies, designed to ultimately improve good businesses through a comprehensive stakeholder orientation.

### **3) CDP: Church investors campaign for improved climate ratings of German companies—Engagement in cooperation with the Church Investors Group, UK**

Whereas the »Living Wages« engagement stipulates intense and in-depth talks with individual companies, the CDP climate engagement of AKI as a light-touch engagement rather targets broad reach. This is a project about decarbonisation, which in turn is currently an ethically sustainable priority in church activities due to the fact that without it, socially compatible values, such as human rights, justice, democracy and security, will be threatened; in the field of ecology various natural habitats and biological diversity will be destroyed, and regarding intergenerational justice future generations will be deprived of their base of life. CDP ratings are an internationally acknowledged climate rating methodology for companies. Companies can take measures to improve their CDP performance grades, thus contributing to

decarbonisation. Companies listed on the German Stock Exchange are selected for this engagement project, who have not yet scored a Carbon Performance Grade in the categories »A«, »A-« or »B«. The aim is motivating those companies to get a CDP rating, and subsequently take the necessary measures to increase their score at least to a B grade. In accordance with CDP demands, companies shall moreover start implementing as of 2018 the TCFD Recommendations, that is, the recommendations released by the international Task Force on Climate-related Financial Disclosure initiated by Michael Bloomberg. The partner of AKI in the United Kingdom, the Church Investors Group (CIG), has been conducting the project in this form since 2013 with British companies. The effectiveness of the procedure has been analysed and confirmed by the University of Edinburgh Business School. The project is a living proof of the active partnership between AKI and CIG. It was AKI's first participation in an international engagement project of church investors—and certainly not its last.

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Karin Bassler, Oct. 2017