

# Investment Fund Climate Change Position

June 2020

The Investment Committee (IC) of the Mennonite Education Agency (MEA) is strengthening its strategy to address the risks and opportunities of climate change within its mandate to manage the pooled financial assets of member Mennonite education institutions.

The primary charge of the IC is to manage the pooled assets “to provide a perpetual source of support to endowed and scholarship programs and the long-term growth ... of the pool while following stewardship investing core values.”<sup>1</sup> Those core values, as recorded in the *Statement of Investment Objectives and Policies*, the investment policy statement, articulate an intent to invest in companies that practice environmental stewardship and work toward environmental sustainability.

While Anabaptists retain a diversity of belief on how to engage with the environment, a central insight of our faith is that God, through Jesus, redeems all of creation.<sup>2</sup> This theology has been embodied in the generations of Anabaptists who have earned their livelihoods from the land, and continues among Anabaptists today whether living in a rural or an urban setting. That shared belief and MEA’s investing core values ground the investment committee’s incorporation of environmental stewardship into its decision-making process.

Building on an earlier climate change position statement, the IC has met with industry experts to learn more about the potential impact of climate change on financial portfolios, adding to their prior professional expertise. The IC is deeply aware of its fiduciary duty for the investment assets and feels the urgency of the scientific case for a robust and immediate response to climate change, which can sometimes push against the constraints inherent in the investment process.

Given those considerations, the MEA IC has made the following commitments:

- To continue to reduce the portfolio’s contribution to climate change and the calamitous impacts rising temperatures will trigger.
- To mitigate the portfolio’s exposure to the economic risks that climate change presents to the investment pool, and to participate in investment opportunities that will benefit God’s creation.
- To uphold the committee’s duty of care, despite high uncertainty regarding the international policy response to climate change, technological developments and adaptation efforts.
- To act now and going forward. The committee is currently identifying and prioritizing specific steps to ensure climate-related risks and opportunities are embedded into our assessment of portfolio risks and opportunities, manager selection, and proxy voting.
- To communicate transparently with stakeholders regarding its decision making and to both share its perspective and listen to the concerns of its stakeholders.

Collectively, these commitments will advance the committee’s stewardship of assets over the long term, while also contributing to a healthy world.

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<sup>1</sup> MEA Investment Funds- Statement of Objectives and Policies. Amended January 2019. Pg. 2

<sup>2</sup> “Varieties of Anabaptist Environmentalism and the Challenge of Environmental Racism,” Luke Beck Kreider, The Mennonite Quarterly Review, January 2020.