

## Charity Commission request for views on responsible investment

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The Charity Commission have published a [blog post](#), encouraging charity trustees to invest the funds they hold in reserve responsibly even if this means forgoing the best returns.

The move reflects the increased scrutiny of the activities of charities, coupled with heightened public awareness of the climate crisis. The Charity Commission has said it recognises that many charities are already championing responsible investments, but it wants to understand what can be done to encourage other charities to do the same. It has asked for those within the sector to share their experiences and considerations around responsible investments, including what the barriers are to responsible investment becoming more wide spread. It will be seeking views until 31 March 2020.

In the blog, the Commission states that responsible investing means demonstrating that the charity's purpose, as well as investment duties, is considered when making investment decisions. Issues such as human rights records and treatment of workforce should also be considered, as well as the environment, if a charity is to maintain its values in its investment decisions. The Commission notes that investment practice will vary from charity to charity as there won't be a universal consensus on what is meant by "ethical".

However, for some, Commission's blog post does not go far enough in giving clarity to charity trustees on this issue. A coalition of voluntary charity sector groups has applied to the courts for a ruling on trustees' duties in respect of ethical investments, and whether they are expected to align their investments to their charitable objects. The coalition has welcomed the Commission's support for responsible investment but want a court to clarify what is expected of charities. It says the expectations on trustees are currently unclear, and the Commission's CC14 guidance fails to address the issue of conflicts between investments and charitable objects. A ruling is expected in the coming months.

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