

Connie Moreland Interviewer: TBLI Conference Student Worker

Meet Gunnela Hahn, the head of responsible investment at the Church of Sweden. She has been working in sustainable investing for 17 years, the past eight being with the Church of Sweden who has become a leader of triple-bottom-line investing, especially among religious institutions.

The Church of Sweden's assets which totaled 6.8 billion SEK (709 million euros ) at the end of 2015, are 100% fossil-fuel free. It has investments in green bonds, clean energy in south-east Europe, real property with a green profile, and micro-financing to name a few. The Church is also part of the Portfolio Decarbonization Coalition working actively to fight climate risks through responsible investing,

Having been in the industry for several years, Hahn has been able to see firsthand the birth and growth of the triple-bottom-line investing movement.

"It's just the last few years I've seen this tremendous interest from all over the globe that investors are suddenly opening their eyes for climate change," Hahn said. It is her worry to "find scalable investment products that really have an impact to take us from this fossil-dependent world to the low-carbon economy."

Simply put, Hahn's question, as well as that of the responsible investing community in general, is "How do we invest in a good future?"

Hahn has always been passionate about sustainability which reflected itself in her decision to study international and environmental economics. She has always thought there was a need to combine economics with the environment, which is what she did with her former employer Folksam, one of the largest asset managers in Sweden. What she learned there helped her lead the way in sustainable investing at the Church of Sweden.

"They (Folksam) had divested already in the late 90s and still have a kind of index-aligned portfolio and it worked well; it didn't harm performance at all," Hahn said. "So then that's how I also dared to take that move and try to test that on our portfolio."

When she came to the Church of Sweden, the church had the desire to move towards more sustainable investments, but not the know-how. Hahn's previous experience helped her build up the investment policy and the climate criteria and other strategies for how to implement their ideas. As Hahn says, "Their arms were really open for me to come and do things."

This movement has started to gain significant momentum in the business world as well as among religious institutions. More and more churches from around the world are coming to the Church of Sweden asking how they can also be sustainable investors. In some ways, churches have always been proponents of responsible investing by not financing obvious industries such as tobacco, pornography, and weapons, "but to be sustainable and to look for good companies that contribute to society, that is a pretty new topic for so many investors including the religious

ones” Hahn said. And as several speakers have repeated throughout the TBLI conference, divesting is only the first part of sustainable investing.

Investing on behalf of a religious institution, Hahn and the Church of Sweden have been in a unique position to push forward in triple bottom line investing.

“It makes it easier because it's very clear that we have values that we want to stand up for...it's expected from external parties and internally that we should be sustainable,” Hahn said. “Also, we can be very long term and we don't have to maximize profit for any clients. So there's less pressure but still we are competitive in our returns with others, it's just that we allow ourselves to be more long-term oriented.”

However, even at the Church of Sweden there was some initial hesitation from their board which Hahn had to overcome, even though she says that everyone is now happy with their methods of sustainable investing. Of course now the Church of Sweden has proven to everyone that it is possible to invest sustainably without sacrificing performance at all. The big question now is, why isn't everyone doing it?

Hahn posits: “I think there is still this myth that sustainability is something you do on the side and that it is costly. We are building values that are lasting in society instead of building something that will end up costing more to society than it will actually contribute, and I think that as an investor you should be interested in value creation in the long term otherwise you will get problems over time. But still, short term is very much into our structures; you're paid for being short term. There are lots of structures that are preventing us from being long term and also legal structures, legislation.”