

BY EMAIL

Dr Liz Kalaugher
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From: Dr Julie Maxton, Executive Director

5 July 2021
Our ref: JM/RC

Dear Dr Kalaugher

Many thanks for your recent letter. As your updated report highlights, the Royal Society has long been a strong voice on climate change and continues to be so with our work with the Science Academies of the G7 nations, the launch of reports on the technologies and ideas that can help achieve net-zero by 2050 and our #2050challenge.

On the question of investments, our investment policy is overseen by the Council of the Royal Society. The Society does not invest in organisations which conflict with the charity's purpose, or where Council deems that to do so would hamper the charity's work, for example by alienating those who support the Society financially. The Society keeps its investments and its investment policy under regular review, and is mindful of the regulatory context within which it must operate as a charity.

The legal framework within which trustees of charities are obliged to take investment decisions is not straightforward. In 2019, a coalition of charities wrote to the Charity Commission stating that the current law is no longer fit for purpose and requesting a referral to the Tribunal. The Charity Commission has published new draft guidance on responsible investment guidance and has run a consultation. We await the outcome and like many, we hope that this process will create a more flexible approach for charities in the near future.

The Society's Investment Committee receives regular updates from the investment managers on the ethical performance of companies in the portfolio, and details on how they have acted to improve this by, for example, voting on resolutions and challenge.

The Royal Society is fully committed to the target of net zero emissions by 2050. We all need to work towards reducing our reliance on fossil fuels, and that includes encouraging energy companies to invest in technologies that can help us to reach net-zero by 2050.



President Sir Adrian Smith
Executive Director Dr Julie Maxton CBE

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Many of the issues raised in your letter pose dilemmas for organisations in the charity sector, as well as those working in research. There is no simple or 'correct' response, but rather a need to continually review our approach as external factors such as the legal framework, technology and scientific understanding develop and change.

Yours sincerely

A handwritten signature in black ink that reads "Julie Maxton". The signature is written in a cursive style with a large initial 'J' and a stylized 'M'.

Dr Julie Maxton

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