Investor engagement on renewable electricity and the RE100 initiative

Coordinated by ShareAction, the investor group in support of the RE100 initiative brings together institutional investors to encourage companies to transition to 100% renewable electricity. This briefing outlines the reasons for joining the investor group.

RE100 showcases and recognises companies that make a public pledge to move to 100% renewable electricity for their international operations by an agreed date. RE100 is an initiative of the Climate Group in partnership with CDP, as part of the We Mean Business coalition. In support of RE100, ShareAction is mobilising shareholders to encourage more of the world’s largest companies to join the RE100 initiative, and thereby accelerate the decarbonisation of the global economy. ShareAction is coordinating a diverse, global group of investors who give their backing to publicly listed companies switching to 100% renewable electricity.

A move to renewable electricity is a smart business decision – providing an affordable, clean, reliable and guaranteed future power supply. There are also reputational benefits to a company of showing leadership on this vital issue, not least that it will inspire confidence and commitment from investors.

The investor group, coordinated by ShareAction, currently has 49 institutional investors as members, collectively managing over $1 trillion in assets. ShareAction is seeking more institutional investors to join the group and make public their commitment to engage with companies on renewable electricity and the RE100 pledge.

One business alone isn’t big enough to make a difference, we have to work in collaboration, in coalition, like all things in sustainability. We want to get together, shout about it, hopefully inspire other businesses, share the lessons we have learnt along the way and show it can be done.

Adam Elman, Marks & Spencer’s Head of Global Plan A Delivery

Being part of RE100 allows companies to benefit from shared best practice and to provide their insights to help others. Other benefits include:

- Increased public recognition and visibility of a company’s renewable energy achievements through events, print, broadcast and social media.
- Guidance on best practices for selecting renewable power options and for accounting and reporting on renewable power achievements.
- Briefings on research and analysis relating to corporate use of renewable power.
- Ongoing access to information about new renewable power opportunities.
- An opportunity to play a leadership role supporting other companies to overcome barriers associated with increasing renewable power.
- Peer-to-peer learning and networking.
- The ability to request priority research areas for the RE100 Technical Advisory Group.

The role of investors

Why should institutional investors engage on the RE100 initiative?

ShareAction and RE100 believe that investor engagement will encourage more companies to take strong action and switch to renewable power.

For investors, knowing that investee companies are taking measurable action towards a low-carbon future will be highly reassuring in terms of their future returns and the long term profitability of their investments as the world moves to tackle the challenge of climate change. As shown by the Global Investor Statement on Climate Change, a significant number of leading investors are in agreement that strong action is needed to protect their investments from the massive risks of climate change.

Supporting the RE100 initiative is a positive and progressive step that investors can take to encourage further participation by public companies and accelerate action on renewable energy.

Joining RE100 is a measurable step for investee companies to take on the journey to a low-carbon future business environment, and one that investors can take pride in promoting to investee companies. It is an initiative that we expect to create easily measurable indicators of effective engagement on climate risk and sustainability.

What commitment is required from an investor and what opportunities for engagement are available?

Investors simply need to agree to be publicly recognised as engaging on RE100. ShareAction will coordinate jointly signed letters from investors to companies, encouraging them to join RE100. Interested investors will receive regular updates from ShareAction on engagement taking place with firms on RE100, as well as details on new sign-ups to the initiative. ShareAction can also offer support on individual investor engagements. We will assist investors to present a united voice to investee companies on the importance of renewable electricity.

The scale and urgency of climate change is so great that we must find ways to actively seek and implement solutions. As investors, we can appeal for change by engaging with companies... encouraging them to take the lead in creating the demand we need to see in the renewables sector that will make it cost-effective.

Richard Keery
Investment Manager
Strathclyde Pension Fund
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About ShareAction

ShareAction (Fairshare Educational Foundation) is a registered charity that promotes Responsible Investment practices by pension providers and fund managers. ShareAction believes that Responsible Investment helps to safeguard investments as well as securing environmental and social benefits.

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About RE100

RE100 is a collaborative, global initiative of influential businesses committed to 100% renewable electricity, working to massively increase demand for - and delivery of - renewable energy. RE100 is brought to you by The Climate Group in partnership with CDP, as part of the We Mean Business coalition.

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