Stepping Up Climate Leadership Ahead of the Global Climate Action Summit (GCAS)

The Global Climate Action Summit is an opportunity to promote the global investment community’s climate leadership and further align portfolios with the goals of the Paris Agreement.

ShareAction, in close collaboration with Mission 2020, Ceres and CAN-International, is undertaking outreach to the investment community in the run-up to the Global Climate Action Summit (GCAS), taking place on 12-14 September in San Francisco. The Summit will bring together leaders from cities, regions, business, civil society, and the investment sector to demonstrate ambitious leadership on climate change. Commitments to action by these powerful non-state actors can play a critical role in encouraging the ambition needed from Governments, both to meet the goals of the Paris Agreement and facilitate the just transition to a low-carbon economy.

What we are looking for from investors

Our aim is to encourage individuals and organisations to step up their leadership. We are looking for commitments to action that align portfolios with the goals of the Paris Agreement.

We believe these ‘asks’ are eminently achievable, and consistent with investors’ duties to their beneficiaries and clients. These proposed actions align fully with both the Investor Agenda and PRI’s recent recommendations for investment in the low-carbon economy.

These might be:

• Assess and disclose portfolio alignment with the goals of the Paris Agreement, and report annually using the framework of the Taskforce for Climate-Related Financial Disclosure (TCFD);
• Contribute to the development of tools and metrics to set science-based targets for financial institutions, and commit to using these tools and metrics once viable;
• Increase capital allocation to low-carbon investment opportunities, such as sustainable infrastructure, energy efficiency, and technologies offering solutions to climate change and its effects;1,2
• Reduce exposure to high-carbon assets, in particular phasing out all exposure to coal;
• Conduct robust engagement - including the use of the vote - with investee companies to adopt their own corporate science-based targets and <2-degree transition plans;
• In the case of asset managers, develop new products that support low-carbon investment.
The Global Climate Action Summit (GCAS)

The Summit is co-hosted by Jerry Brown, Governor of California; Michael Bloomberg; Anand Mahindra, Chair of the Mahindra Group; and Patricia Espinosa, Executive Secretary of the UNFCCC. Bringing together leaders from cities, regions, businesses, investment organisations, and civil society across the world, the primary aim is to take ambition to the next level amongst powerful non-state actors.

At the heart of the Paris Climate Change Agreement is the commitment by national governments to review their progress and ratchet the ambition of national climate action plans, known as Nationally Determined Contributions (NDCs). The GCAS, happening midway between Paris 2015 and 2020, is timed to provide confidence to governments to ‘step up’ when they come together to review their commitments in 2020.

The momentum we generate in 2018 must lead to bending the curve of emissions firmly downwards by 2020. The best scientific advice is that this would give the world the best opportunity to prevent catastrophic effects of climate change. 2018 must be the beginning of a new phase of accelerated action on climate change.

The GCAS will be a moment to gather and showcase ambitious climate leadership that can provide inspiration for others, including governments themselves. Actors from various constituencies, including the investment community, will share their climate strategies and commit to action that supports the goals of the Paris Climate Agreement. These commitments will provide a benchmark of what is achievable and highlight what is needed from cities, regions, business, and institutional investors.

GCAS as a key opportunity for investors

The co-hosts of the summit have entrusted Ceres with coordination of the investor focus area, and ShareAction is now liaising closely with Ceres on outreach to investors. Ceres, along with other investor coalitions around the world, has developed the Investor Agenda, a platform open for all investors to sign up and register their actions and progress on climate. The main stage at the GCAS will be used to celebrate the most ambitious and forward-looking commitments and actions made by institutional investors.

Capital allocation by institutional investors that enables clean energy, asset resilience, resource efficiency and smart climate solutions is one of the critical levers to enable the fulfilment of the Paris goals. Transformative Climate Investments is thus one of the focus areas of the Summit.

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ShareAction is actively working to add new voices of ambition on climate action. We are reaching out to a wide range of institutional investors, focused particularly on asset owners, to identify those who are willing to step up as climate leaders and announce ambitious climate strategies and action at the time of the Summit.

ShareAction’s work in the lead up to the GCAS involves a close partnership with Mission2020, a global initiative convened by Christiana Figueres to achieve a turning point on greenhouse gas emissions by 2020.

Declarations made at the time of the Summit, and on its main stage, will shine a light on the emergence of climate-related ambition within the global investment community. This in turn will help create the crucial momentum that is needed to inspire additional commitments by states as signatories to the Paris Agreement, as well as by others within the investment industry who are lagging behind.

Frequently Asked Questions (FAQs)

How does this initiative by ShareAction relate to the Investor Agenda and associated actions?

ShareAction works in coordination with the investor coalitions gathered around the Investor Agenda. It is complementary and in support of the direct engagement undertaken by the investor coalitions from around the world. All
of the commitments to action that ShareAction is encouraging are aligned with the Investor Agenda platform, and any institution undertaking these actions can and is encouraged to sign up to the Investor Agenda and register their work as part of it.

**How does this relate to the official organisation of GCAS?**

Ceres is the main focal point partner called by the co-hosts of GCAS to coordinate the work related to Transformative Climate Investments. ShareAction is undertaking this engagement work independently and as a civil society-lead initiative, complementing the work that the summit organisers are undertaking to accelerate momentum on investor climate action.

**How does GCAS relate to the PRI in Person summit happening at the same time?**

PRI in Person is the annual meeting organised and hosted by the UN Principles for Responsible Investment (PRI). Both summits will happen back to back but are two distinct events. The GCAS solely focuses on climate change action. While PRI in Person also features several sessions on climate change, including joint events with GCAS, it has a broader focus, featuring sessions on the whole of the ESG spectrum.

Investors attending PRI in Person will have the opportunity to also attend the various GCAS affiliate events on finance and investment taking place in the city of San Francisco throughout the week, and the GCAS Summit. The latter is an invitation-only event.

**How will announcements be made? Will we be invited to speak?**

Investors will be encouraged to make their own announcements in time for the GCAS. In addition to this, ShareAction will coordinate joint press work to showcase the most impressive pledges made.

We will further work with the conference organisers to ensure that outstanding commitments will be showcased during relevant GCAS events.

**Which investors are being approached?**

ShareAction has identified a number of investors, in particular asset owners, who have shown dedication to climate matters and may now be willing to take this commitment a step further. We have drawn on a range of sources to identify investors we are reaching out to.

**What happens if we make a public commitment at GCAS and can’t stick to it?**

The main aim behind this initiative is to drive up ambition and new commitment. ShareAction will monitor progress but we also acknowledge not all commitments go to plan. This won’t be called out as long as solid commitment towards achieving their goals will be demonstrated.

**Partners**

While this pre-GCAS engagement initiative is co-ordinated by ShareAction, we are working in close collaboration with key delivery partners of the GCAS, in particular Mission2020, Ceres, and CAN-International.

**References**

1. A significant increase should be defined in comparison to the institution’s starting point, and to current best practice undertaken by its peers. We suggest an ambitious increase of an additional 1% per annum of total AUM, with the aim of reaching 10% within a decade.


3. To find out more about Ceres, please visite the website: [https://www.Ceres.org/](https://www.Ceres.org/) [accessed 4 July 2018].

4. To find out more about the Investor Agenda, please visit the website: [https://theinvestoragenda.org/](https://theinvestoragenda.org/) [accessed 4 July 2018].
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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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