

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.

The group includes: Achmea Investment Management – Aegon Asset Management – Ashden Trust – Australian Ethical Investment – Aviva Investors – BPL Pensioen – Barrow Cadbury

Trust – Boston Common Asset Management – Caisse de Prévoyance des Interprètes de Conférence – CAP Prévoyance – Caisse Inter-Entreprises de Prévoyance Professionnelle – Dana Investment Advisors – Dignity Health – ERAFP – Environment Agency Pension Fund – Esmée Fairbairn Foundation – Etablissement Cantonal d'Assurance (ECA VAUD) – Ethos Foundation – First Affirmative Financial Network – Green Century Capital Management – Impact Investors – JJ Charitable Trust – Jesuits in Britain – Joseph Rowntree Charitable Trust – KBI Global Investors – KLP – Mark Leonard Trust – McKnight Foundation – Menhaden Capital – Mirova – The Nathan Cummings Foundation – NEI Investments – Nest Sammelstiftung – Pax World Management LLC – Pensionskasse Caritas – Pensionskasse der Stadt Winterthur – Pensionskasse Unia – Prévoyance Santé Valais – prévoyance.ne – Prosperita Stiftung für die berufliche Vorsorge – Polden-Puckham Charitable Foundation – Strathclyde Pension Fund – Stiftung Abendrot – Trillium Asset Management – Triodos Investment Management – United Church Funds – WHEB – Zevin Asset Management.



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Background

At the time of writing (June 2017) there are 96 corporate members of RE100. These companies span a wide variety of industries and operate in a broad range of countries across the world. Collectively, they are creating demand for over 120 Terrawatt hours of renewable electricity.

They currently include: Adobe – Alstria – Amalgamated Bank – Anheuser-Busch InBev – Apple – AstraZeneca – Autodesk – Aviva – Bank of America – Bankia – Biogen – Bloomberg LP – BMW Group – British Land – BROAD Group – BT Group – CaixaBank – Coca-Cola Enterprises – Colruyt Group – Commerzbank – Credit Agricole – Dalmia Cement – Dankse Bank – Dentsu Aegis Network – Diageo – DNB – Ebay – Elion – Elopak – Equinix – Facebook – Formula E – Gatwick Airport – Givaudan – General Motors – Goldman Sachs – Google – H&M – Heathrow Airport – Helvetia – Hewlett Packard Enterprise – HP Inc – IHS Markit – IKEA Group – Infosys – ING – International Flavors & Fragrances Inc. (IFF) – Interface – J. Safra Sarasin – Johnson & Johnson – Kingspan – KPN – L’Occitane – La Poste – Land Securities – LEGO – Marks & Spencer – Mars Incorporated – Microsoft – Nestlé – Nike Inc. – Nordea Bank AB – Novo Nordisk – Pearson – Philips Lighting – Procter & Gamble – Proximus – Rackspace – RELX Group – Ricoh Company – Royal DSM – Royal Philips – Salesforce – SAP – SAVE S.p.A. – SGS – Sky – Starbucks – Steelcase – Swiss Post – Swiss RE – Tata Motors – TD Bank Group – Tesco – Tetra Pak – UBS – Unilever – Vaisala – VF Corporation – VMware – Voya Financial – Walmart – Wells Fargo & Co. – Workday – YOOX Group.

Benefits of joining

For a company there are clear benefits, both of making a commitment to 100% renewable electricity, and of making that more visible by joining RE100. Many businesses already recognise that switching to renewable power is a smart business decision and are motivated as much by the bottom line as sustainability concerns. Renewable power provides energy security, helps manage fluctuating energy costs, enhances reputation and delivers carbon emission reductions.

Joining RE100 showcases the leadership of companies making the shift to 100% renewable power and sharing their achievements encourages other businesses to do the same. RE100 also highlights the need for further policy measures to stimulate the renewable energy market.

“ 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.

ShareAction has significant experience of coordinating effective investor collaborations. Our investor collaborative for the Living Wage has significantly accelerated FTSE100 Living Wage accreditation and company dialogue.

We believe that demonstrating the level of support among diverse institutional investors for corporate leadership on renewable energy will show that moving to renewable power makes business sense and is a positive step in tackling climate change.

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

Disclaimer

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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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The opinions expressed in this publication are based on the documents specified. We encourage readers to read those documents. Online links accessed 5 May 2017. Fairshare Educational Foundation is a company limited by guarantee registered in England and Wales number 05013662 (registered address 16 Crucifix Lane, London, SE1 3JW) and a registered charity number 1117244, VAT registration number GB 211 1469 53.



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