



Thirty Percy Foundation

Executive Summary: Rebalancing Economies To Serve Society & Planet

Overview - August 2018

Thirty Percy is a newly registered charity in the UK, borne out of the purpose-driven Skagen Conscience Capital family office. The Foundation will work as a relational funder that looks to fulfil our values of performance, care and wisdom. This paper focuses exclusively on our work around 'Rebalancing Economies'.

Alongside this work the family office is working hard to embed responsible investment strategies across all asset classes (investment types), consistent with a view that this will result in better long-term value creation. We look at value as something that includes but goes beyond the purely financial.

Given the family office's position as an investor, one of the streams of work the foundation has decided to focus on is around the role of economies and financial markets in delivering greater social equity and environmental sustainability.

As a first step, the foundation began an eight-month research process to better understand this space and all of the issues that effect it.

This Executive Summary sits on top of our longer brain-trust document - our Emergent Narrative - which starts on Page 6. We do not seek credit for the conclusions or insight in this document as it has come from the hard work and generosity of others who have informed and challenged us in equal measure.

As you will see, our proposed focus for this work is to bring a consideration for the future into today's economies and financial systems. We have identified the toxic combination of short-termism and profit maximisation at any cost as the key drivers of wealth inequality and environmental destruction in the world today. We want to use our philanthropy to challenge them.

The Foundation will begin to move towards making its first grants (total budget of around £1m) before March 2019.

We are always seeking feedback on this evolving narrative so hope that in reading this, you will count yourself as a partner and consider sending your thoughts and reflections, ideas, challenges and critiques to Jake Hayman at Ten Years' Time who is supporting the development of this document. He is available on jake@tenyearstime.com.

If you have tried to connect with Ten Years' Time and not felt heard or would like to send a thought or request direct to the Foundation, please feel free to email Foundation CEO, Jen Hooke, on jennifer@skagenservices.com.

How We Feel

Before anything else, we wanted to start with how we feel...

- We are concerned about the future of the planet and what will happen if we don't respect ecological boundaries. We feel the risks associated with climate change are generally not well understood and/or under-estimated.
- We feel the systems of finance are currently skewed - that often they involve a lurch from quarter to quarter in a way that acts against the interests of the planet and the less privileged within society, with the growth of economic capital given such precedence over natural and social capital. We feel this is ultimately self-defeating and to view them as somehow separate and unrelated is plainly wrong.
- Whether by accident or design, these systems play a huge role in people's lives and the fate of the planet. They are largely unaccountable to the communities that they affect - and can even feel disconnected from those who are custodians or owners of the wealth.
- We feel that if more people had knowledge of the impact of our current financial behaviours and felt agency to make a difference then we could start to reform the system, but most feel powerless.
- We feel that if financial markets were humanised and had the capacity to care, that they would harmonise better with the world that they exist within. But we feel this talk is often considered 'soft' and brushed away by the incumbents currently benefitting from the system.
- We feel a system participant's failure to understand and act on their environmental and social impact is a misunderstanding of risk and opportunity and incompatible with fiduciary duties and good investment decision-making.
- We feel that as a major investor we are a part of the system and as such should have the power and responsibility to help frame it. There is inter-dependence between all actors in the system, and we need to work together.
- We feel that there is a new generation coming through that see opportunities that the traditional power sources don't (across politics, finance, the media and business), and who are seeking a more equitable and sustainable system. There are also lots of non-millennials who feel this way! We also feel we don't have time to wait for millennials to reach decision-making positions!
- We feel that the investment management world can lead the way in building a system that works better for people and planet and that ultimately, they can be part of the solution.

- We feel inspired that there are leaders across sectors and hierarchies who are leading change in this space. We believe that leadership comes from every chair and we are seeing this happening.
- We do not feel alone. Instead we feel allied to people we have met from different backgrounds and countries who share our vision - we feel moved by the generosity of so many of them in helping us produce this work;
- We feel that there are ideals out there that we can aspire to - like that of eco-civilisation - which we heard about in depth in China;
- We feel that inertia is a powerful force - we have been told that all change comes with losers as well as winners and vested interests often seek to perpetuate the status quo. We have heard that there are deep psychological and emotional barriers to change.

Grounding all of our concerns above, we have struggled with our feelings around fairness and what it means in the context of this work. It is clearly unfair that the majority of greenhouse gases come from the richest countries but the majority of the impact is felt in the poorest. At the same time, it is unfair that some countries have benefited from fossil fuels and yet are seeking to prevent others from doing so. It is unfair that within wealthier and poorer countries alike, there are communities that rely on coal production for jobs, and that these people's livelihoods and identities are now under threat. The question of fairness - and justice - for future generations who will suffer based on the actions of this generation, feels as though it should be central to our thinking.

Our Reflections

After eight months and based on the insight and information cited below, our key conclusions are that the prevalent global economic systems are operating with little reference to the values that we hold as a Family Office. They operate without 'care' by rewarding environmental destruction and fuelling economic inequality that hurts people and societies every day. They operate without 'performance' as cyclical crashes and a failure to deliver trickle-down economics has shown. And, finally, they operate without 'wisdom' - undermining their own objectives through short-term greed. As such, they fail to generate the social and ecological stability that society, the planet, and the markets themselves, rely upon.

With the above in mind, there are two pieces of guiding context for our work. The first is that we, as investors, are finding it an uphill battle to invest our wealth in a way that brings long-term financial, social and environmental value. We want to be able to invest in a way that contributes positively to people's lives and the world around us. The system of investments and financial management currently goes against this goal, whilst investing in ways that create social and environmental harm could not be easier. Having traversed this system, we know that there is the opportunity to make it *serve* society and planet, instead of actively doing harm.

The second piece of context is the all-encompassing challenge of climate change. We have heard that the current impact of climate change is far greater than we previously comprehended and the future - especially for the world's poorest and most vulnerable - is starker. We have heard that the levels of risk we are entering as a planet are not properly

accounted for, and if the worst-case scenarios, instead of the likely (and still terrible) scenarios occurred, our children and grandchildren would be in serious peril.

Reasons for (Stubborn) Optimism

Within the many challenges we have heard about, we see a number of reasons for optimism. The first is that climate change - and more broadly than that, environmental issues such as biodiversity and plastic pollution - are high priorities for young people. Hearing that it is a key issue for young people in the UK regardless of their political affiliations and that it is *the* key issue that young people in China care about gives reason for hope.

The second is that 'fourth wave environmentalism' and technological advances in clean energy, battery storage and transportation mean that the idea of eventually achieving a low-carbon global economy is a more realistic one than ever before.

We have also been excited about the possibility that putting more data and information in public hands than ever before could have a huge democratising effect. As populations get to see where pollution is coming from and what impact it has on them, the hope is that it will have an empowering impact.

We have heard about new models and new movements from B-Corps to multi-capital reporting and the Chinese green finance movement that all bring a new model of thinking that we feel is desperately needed.

We have heard about - and met - leaders from huge corporations to small charities, from civil servants to economists, as well as legislators and frontline workers, who care deeply about the aforementioned issues, and are working to advance the ideals we share a commitment to. We have heard that in a variety of guises there are leaders in this field who would be an honour to partner with.

We are optimistic because we know there will be a number of key events, or 'moments', which create real drive for change. We also know that, around the world, the conversations people are already having on these issues are creating ripple effects.

Most of all, we are optimistic because we are not on the side of sacrifice - because we know that building a system that generates long term value in society and environment as well as financial value will ultimately benefit us all, including the wealthy in society.

Where We Will Focus...

We have been advised by many that focus is key - to pick a geography, an issue area, a passion point - and throw our weight behind it. We have decided that our focus will be dedicated to a framing of thinking.

Our proposed focus for the foundation is to bring a consideration for the future into today's economies and financial systems. If the various actors in our economic systems (consumers included) thought of their grandchildren as much as themselves, we believe we would achieve a far better, fairer and more sustainable world today and not just in the future. This way of thinking is instinctive but it has been lost in the anonymity of our systems.

Rather than try to scenario plan for a future that we know will be less fair, ecologically unstable and ultimately less sustainable because of our current system, we instead want to create a new system today that inherently cares for our future. We want to be a part of transforming the future, rather than preparing for an inevitable destiny.

We have three prisms that we will think through, three ideals we will work towards and three behaviours that we will hope to model in our grant giving.

Our three prisms are those of **leadership, fairness and power**.

We believe that leadership can come in many forms and that in this work we need to find and support the ‘un-defended leaders’ who are pioneering work against the grain of their industries. We believe that our transition to a more balanced economy needs to be fair and ‘just’ and finally we need to think about power and recognise that the system is greatly imbalanced. We believe that change will come from the combined power of those reformers at the systems ‘top’ and those at its grassroots and particularly when the line between them blurs.

Our three ideals are those of **multi-capitalism, balance** - the ‘donut’ as Kate Raworth has coined it - and **eco-civilisation**. Multi-capitalism to us is about a new model of economics that values a range of inputs and outputs that go beyond simple short-term financial returns to encompass environmental and social performance too. Kate Raworth’s ‘Donut Economics’ overlaps with this, challenging the idea of GDP growth as a barometer for advancement. Raworth’s concept instead suggests that we should look to achieve and measure our ‘balance’, by operating in a way that provides for humanity and nature - in all its biodiversity - over time. The idea of eco-civilisation came from our meetings in China where we heard about this still evolving concept. It is based on the dawn of a new era and envisages us shifting away from pillaging the earth to nurturing and living at one with it.

Finally, our three behaviours are those of **embracing complexity, being prepared to do what is difficult** (whether that’s due to its unglamorous nature, because it may fail or because there are many with vested interests who will actively resist it) and **constantly checking and challenging ourselves**. We too are a part of the system that we’re trying to change, and we need to acknowledge that acting against those interests will be difficult.

These prisms, behaviours and ideals will guide our grant-making. We do not want to be overly prescriptive on ‘what’ we will do or indeed who we will work with beyond these guiding principles but we hope to find partners who are looking to influence our systems to serve 2050 and beyond.

We have seen a number of spaces where we believe this kind of work could be done or is being done, that we may want to get involved with. These include:

- Looking at **new models for accounting, governance and for analysing risk**;
- Modelling **new systems of value creation, wage redistribution, and corporate and investor behaviour** that encourage long-term thinking and fairness;
- Rethinking how we look at **responsible land use** for agriculture and food production, including supporting education, access to information and building consumer movements.

Areas that we have heard about and want to consider in future grant rounds but are not prioritising in the first instance are:

- Supporting education, access to information and movements to increase ‘**people power**’ in economic systems;
- Focusing specifically on **climate change** and how to accelerate moves to a low carbon and methane, and more circular, economy;
- Supporting new **economists who can critique and challenge the current wisdom** which we believe to be failing us and suggest new models;
- Across all these areas we have heard about the importance of and opportunity that lies within **cities** as the global population becomes increasingly urbanised.

What’s Next...

During August and September 2018 we will seek nominations for people and concepts and suggestions of organisations we might partner with on the areas above.

Beyond that, if you have any thoughts or reflections, additions or critiques on the content above or below please do share them as we try to continually challenge our thinking.

If you want to join our list of people who receive more information on potential grants, just email jake@tenyearstime.com



An Emergent Narrative: Rebalancing Economies To Serve Society & Planet

June 2018

Thirty Percy Foundation

About This Document

This document was created based on the combined insight of the Skagen family and team, built up over years of their own experiences of interacting with wealth and the systems that surround it, particularly those centred around ‘investment management’.

It has since been supplemented with the input of more than fifty people who have generously shared their time to inform us about everything from the science of climate change to the equitable nature of crypto-currency, the value of corporate regulation and the importance of public consciousness on food sourcing.

Alongside that, we have done a lot of reading and will continue to do so. This document is designed to be living: it will never become a ‘five-year strategy’ but rather the story of our working understanding of a dynamic space.

The Executive Summary sits on top of this more detailed ‘brain trust’ document that holds all of the insights, ideas and challenges that we have heard in as objective a manner as possible. It is our attempt to layer our thoughts about what we might do as a result on top of this objective input.

The people who have fed into this process know who they are but are not named in this document in order to protect their generous honesty.

What We Have Read & What We Have Heard

Finance

- We have heard that three separate but connected behaviours have led to our current experience with financial markets. These three behaviours are:
 - **A propensity to maintain the status quo** with incumbent actors reluctant (for whatever reason) to engage authentically and comprehensively with the design of a sustainable system;
 - **A drive to maximise profit** that often supersedes or exists at the expense of ecological and social considerations;
 - **A short-term view** that encourages profiteering today over investment in the long-term health - financial, social and environmental - of business and the broader community. This is often exhibited in quarterly reporting timeframes, placing inadequate opportunity to consider longer-term thinking.
- Alongside these behaviours we have heard about the factors that enable them being:
 - **A lack of appreciation of consequences** that facilitate destructive decision-making and an **investment language** that exists without evolving and without an appreciation that it is connected to a real world of living ecosystems and human lives;
 - **A failure to truly understand** that, as we have been told, ‘every investment is a bridge to the future’.

- Financial markets are a clear potential leverage point with real need for better stewardship, governance and transparency. We have heard that regulators are understaffed and see little in their mission to support serving a sustainable and equitable planet.
- We have heard that we need to build greater responsibility into our financial actors - that investors and banks need to start looking at their climate risk profiles and be held accountable for their climatic impact if we are vying for a sustainable future.
- We have heard that capitalism which prioritises financial capital over natural and human capital, and focuses on the short- rather than the long-term, is unsustainable. Yet this is what is taught in MBA programmes, accountancy accreditations and university economics departments. We have heard that we have a fundamental problem with the education and training that fuels our systems and need to transform them to support a more conscious capitalism.
- We have also heard that there is a spatial disconnect between the world's financial hubs and the hinterland of the real economy. We have heard that we need to bridge the gap better between resources and expertise in places like London, Paris, Shanghai and places like Tyneside, the Pas de Calais and Hebei province.
- We have heard that there is a complete lack of mainstream financial literacy and economic understanding and that this undermines our ability to reform. Economics is too often left to 'experts'; the language used alienates people.
- We have heard that we need to focus on the 'tragedy of horizon' - the fact that the City doesn't understand long term natural limits, that all capital comes from a finite energy supply and that we are depleting and not replenishing this supply.
- We have heard that there are arguments to be made to investors about their own economic self-interest around the threat of stranded assets and a fiduciary duty not to undermine future value. This factor enables us to make an economic case for factoring natural capital and climate risk into our investment decisions.
- We have heard that 10% of all the world's wealth is held in offshore funds that serve to undermine the basics of fair tax and a fair contribution to society¹.
- We have heard that the industries of actuaries, insurance, accounting, audit and risk could play a significant role in redressing the actions of mainstream finance.
- We have heard that with the movement to mandatory occupational pension schemes in the UK and the broader global pension enrolment uptake, more and more of the population are becoming stakeholders in the financial markets. This makes for an opportunity as 'normal people' with a long-term reliance on a business' sustainable growth will have a completely different agenda to hedge funds and other shareholders - this is especially relevant to how cash on corporate balance sheets is invested.
- We heard that consumer services delivered by banks (current accounts and the payment system) needn't be provided by the same people who also have a vested interest in (and make money from) capital allocation across the economy, but they are.
- We have heard that in equity markets, it is relative value, not fundamental value, that counts. You make less money out of a company being successful, than you do from others thinking a company is going to be successful. This means markets are

¹ <https://ftalphaville.ft.com/2017/09/11/2193564/chart-of-the-day-offshore-tax-haven-market-share-edition/>

geared to reward those that are good at second guessing the market, which in turn tends to reward speed and short-term interventions, not those that are good at patiently supporting a company to grow.

- We have heard that the chain of intermediation is too long. Sell-side bankers (who are supposed to represent companies), speak to buy-side bankers, who speak to brokers, who speak to asset managers, who speak to pension funds, who represent pensioners (ultimate investors). Legal fiduciary duty only extends as far as the pension fund. As a result, the long-term interests of the original person saver and economic 'owner' are lost, and relative value is allowed to rule over fundamental value.
- We have been told that finance needs a fundamental shake up based on innovation and that we need to fundamentally question how we define and measure value in our economies.
- In China, we heard that partly because of the prominence of state ownership in the banking sector, the power of rating banks on their green performance even without incentives and penalties is very strong.
- We were told that 'it's too much to ask a farmer to change behavior. That's what bankers in London and Hong Kong must do based on their clear financial risk.'
- We heard that Japan's role in financing coal plants around the world is particularly problematic.
- We heard about increasing pressure on China's financial institutions to disclose their 'green loan book' and environmental impact disclosure.

China

Context

- We heard that China's role in the global economy is key as it is the world's biggest carbon emissions creator.
- Over the past forty years, the main focus in China has been on economic growth. Little attention was paid to environmental issues until ten years ago.
- We heard that the Chinese economy is driven by its banking system rather than capital markets. That system is heavily controlled and indeed owned by the state. Capital markets however are growing.

Eco-Civilisation

- We have heard that the Chinese state has started bringing environmental concerns into its agenda-setting. The plan around 'Eco-Civilisation', for example, was launched in 2015 as a means to protect the environment and environmental diversity.
- The Eco-Civilisation concept has now been integrated into the Chinese constitution.
- Eco-civilisation has now permeated all sectors from finance to industry (where the talk is of green supply manufacturing and green supply chain).

- Whilst people feel like there has been a change towards eco-civilisation, there remains a fundamental conflict between economic growth and environmental protection. This is driven by local government promotion of growth and local officials being promoted based on GDP numbers. Even though central government says that it looks beyond GDP for officials' promotions, in reality it is the key driver.

China's Policy Environment

- We heard that even though the Chinese government takes a long-term view, most officials rotate positions and those that invest in environmental solutions today will not be rewarded for that work, as most projects will take 5-10 years to come to fruition.
- We were told about the seven Emissions Trading Scheme pilots that have been in place across different provinces. There is now a national scheme being rolled out that will sit on top of and alongside these local pilots, though the exact details of how this will work are still being worked out. The idea of a carbon market is the primary tool of choice for the Chinese government to decarbonize.
- We heard that there has been a ban on all trucks entering Shenzhen - an example of policy driving change.

Chinese Enterprise

- Meanwhile, most Chinese companies are not naturally environmentally aware so rely on government and customers to push them in this area. Forward thinking businesses can also lead change.
- We heard that Chinese companies are expected to apply Chinese environmental standards abroad if the host country's standards are lower than China's domestic standards. However, there is no facility to measure or monitor this so it often does not happen.
- We heard that Chinese companies are becoming international investors in companies abroad and so their influence is growing.

Green Finance in China

- In line with their growing environmental influence, China have incorporated Green Finance policies into their national strategy.
- We heard that the launch of the Green Finance movement in China started in 2006 with green credit, insurance and securities products. The Green economic agenda has been driven by two key factors:
 - Firstly, a desire to transition to a more effective power generation system;
 - Secondly, a desire to address the human-environmental problems such as smog, water quality and pollution. This means that even some high carbon issues are counted as 'green' as they reduce air pollution.
- Green finance is not yet something that entrepreneurs are familiar with or know how to access. There is a need for policy to support green SME finance

Energy Use in China

- In terms of the greening of energy production, we have heard that there are huge complications with moving away from coal. Many factories use it not just for energy but also for steam production which is not achievable through simply taking on solar.
- There are currently low supplies of biomass.
- A lot of the opportunities to reduce factory energy usage revolve around increasing access to information - using energy monitoring on each machine allows for different decisions to be made around which machines to buy and use based on energy costs. There is a need to start using similar technology with water usage and pricing. Savings can run into the millions based on changes using this information.
- We heard that to push the usage of solar over coal, there is a need to move from set unit pricing on energy towards costs based on marginal production costs, which makes solar far more attractive than coal. This could drive all the business to solar which would undermine coal as a business and therefore lead to a potential problem around insuring reliability of supply.
- We also heard challenges to the economic assumptions underpinning this theory: that basing energy prices on marginal production costs would not necessarily lower the price of solar, because marginal costs are often not any higher than average costs.
- By 2020 solar will have parity of cost with coal but there will always be a need for some coal in order to regulate supply and provide power insurance.
- It is currently 60% more expensive to generate electricity through solar than coal but subsidies balance this. The past five years have seen the cost of solar panels drop by 60% - now their production costs need another 30% drop to become competitive.

China's Influence on Belt and Road Countries, and the Wider World

- We heard that Greenhouse Gasses (GHGs) connect to China's global image and power and are therefore important for these reasons, whilst pollution affects domestic stability. The issue of GHG emissions abroad is the key problem, particularly as Belt and Road countries such as Bangladesh need huge transport and energy infrastructure investments. There is a feeling that these may need to be 'basic' in the first instance and then become green after.
- The Belt and Road countries (if India is included) account for 60% of the world's carbon emissions and the manner of development across the Belt and Road is therefore key.
- We heard that the Chinese government is open to international influence but generally through bi-lateral conversations and partnership rather than 'the international stage'. China feels that these bi-lateral relationships are how to achieve influence and partnership rather than looking at global engagement.
- China has become increasingly comfortable on the world stage as leaders - with the US seen as heading backwards, it is President Xi who is increasingly been seen as leading an idea of common humanity. (This new image has not erased concerns

over what some call the country's 'authoritarian revival' or the government's human rights abuses).

China: Areas of Innovation and Opportunity

- There is currently a major push to promote sustainable development within the Belt and Road which is a huge international opportunity.
- The key areas of Chinese innovation are in electric vehicles, vertical gardens and community transport.
- We heard that most philanthropic funding neglects South China - especially international funders even though it is the manufacturing centre of the world. There is less research and education capacity here than the rest of the country as a result.
- Climate change feels removed from peoples' lives but it's a threat to livelihoods so we need to both:
 - Transfer the risk to insurance companies; and
 - Use technology to mitigate impact e.g. water spray technology to cool crops during warming summers.

Professions

- We have heard that there is a clear need for a greater audit and risk function with regard to climate in corporate reporting and that this is true across the broader accountancy profession.
- We also have heard that financial services, those that regulate them and those that account for and audit them are run by people from a small sub-section of society largely without experience of poverty and with a vested interest in maintaining the status quo year on year.
- We have heard that financial, legal and tax advisory services have a vested interest in the status quo remaining and, barring a few exceptions, are complicit in maintaining the system and all of its inequalities.
- We have heard that there is a need for training and education for accountants, analysts, economists and MBAs based on a new economic model if we are to be successful.

Investors

- We have heard that many investors exist to make money in the long term and that they should be a key ally in this work - from pension funds to sovereign wealth funds, a huge part of global wealth exists to serve long time horizons. We know that many Scandinavian funds have already taken consideration of the environmental and societal impacts of their business. Not only do these investors have long-term financial return targets, but they also have a vested interest in the long-term health of the planet and society which creates for a coming together of interests around equity and sustainability as well as financial performance.

- We have heard that short term focus on returns is the norm in the investment world and that investors with this mind-set in turn have an impact on corporate behaviour.
- We have heard that investors can be a force for good - that if they have the respect of the company they are invested in and are of importance to it that they can exert pressure or provide support for it to look longer into the future.
- We have heard that the way risk is thought about within markets is often backwards looking - it does not factor in depleted resources or instability: these long- term trends are often not calculated into decision making.
- We have heard that investors are profiting more than ever before - that healthy levels of growth have not led to a greater redistribution of wealth in rich and poor countries alike. Wages have not kept up with productivity increases and the benefits of productivity increases are being absorbed elsewhere in the economy, including through returns to capital.
- We have heard that we should also be asking questions about the extent and ongoing risk of a ‘spill-over effect’ of shareholder capitalism expanding into developing countries - that we’re already seeing countries like Bangladesh bow to pressure from international markets and adopt shareholder-first corporate law. We have heard that this has been a gradual trend over the past 100 years.
- We have heard that the Global South could leapfrog the power imbalance of shareholder capitalism that exists in Western markets but at present are at risk of not doing so.

Corporate Behaviour

- We have heard that businesses are too often driven to short-term profiteering and too rarely look to the ecosystems of their horizons.
- We have heard that without consumer activism and a hit on profits, behaviours that exploit natural and human capital continue largely unchecked.
- We have heard that businesses are able to present themselves as ethically driven whilst paying trade bodies to ‘do their dirty work’ and lobby against environmental and social reforms. We have heard that this behaviour is rarely questioned in industry and that a lack of transparency makes it easy to achieve, as internal teams within businesses do not have the same transparency requirements as public lobbyists.
- That oftentimes after a particular progressive bill is passed, corporations will ‘lawyer up’ to protect their interests and water down its potential value.
- We have heard that in many countries - particularly outside the EU - there has been a long history of corporate non-compliance: that even when laws and regulations are in place, that they are ignored with impunity and enforcement is lacking.
- We have heard that accountability can be brought to corporations by regulators, investors, courts, consumers and citizens.
- We have heard that campaigning organisations like Greenpeace strike fear into household brand corporations and have the power to affect their practices. The relationship can also be based on collaboration and expertise and works best when

it runs alongside policy/institutional change so that corporate change is solidified legally into tangible and lasting change.

- We have also heard that many corporations do not know how to build for true sustainability and are hamstrung by the inability to make coherent plans and effective short-term business cases. Based on this we have heard that financing packages, expert NGOs and consultants can play a positive role in helping corporations navigate how to do ‘the right thing’. However, we have also heard that the fact that they are not investing in this capacity themselves may show they do not truly value it.
- We have heard that even businesses that are not accountable to shareholders often rely on international markets and can be led to change in behaviours by lenders, suppliers, stockists, consumers and the press.
- We have heard that business leaders need to be pushed to think longer term and be rewarded as such. Their investors can play a role in this and need to act likewise if we are to achieve real change.
- We have heard that consumer choices and access to information on provenance via blockchain and similar technologies will transform corporate behaviour, particularly around food supply.
- At present there isn’t a market of ‘green consumers’ in China so any business has to offer a product/service upgrade in order to be successful.
- We heard that transparency over carbon impact in the mainstream economy will have a huge impact - by 2025 Walmart will mark every product with its carbon footprint.

Agriculture & Farming

- We have heard that agriculture has suffered from chronic underinvestment over the last thirty years and that there is room for significant increases in crop yields if we invested in the space over a long-term period. This is critical given the demand on food production and the danger of further deforestation to create space for it (although we have also heard that increased yields and therefore profitability drive aggressive deforestation also such as in soya).
- We have heard that we may need to revisit genetically modified crops as a potential solution to the increasing challenges agriculture faces.
- We have also heard that the corporate control over and role within genetic modification of crops is hugely problematic, and that attending to wastage in the current system should be a greater priority.
- We have heard, for example, that 30% of the food that is produced, is wasted and that this is a huge area for improvement.
- We have heard that agriculture has contributed to the problems of climate change and natural capital depletion - from use of fossil fuels, to destruction of forests, to the repurposing of land and the use of pesticides.
- We have heard that we will feel the effects of agricultural underinvestment, when crops fail to sustain in warmer temperatures and disasters increase.

- There is the need for technology and innovation in agriculture and farming - this can range from smarter irrigation to replacing fish in fishmeal with black flies through to vaccines for reducing methane emissions from cows.
- We have heard conflicting opinions regarding the state of degradation of soil.
- We have heard that the current direction of travel in agriculture and farming is exacerbating age and gender inequalities. Internal migration to big cities in the Global North and South is leading to the 'aging' of the farming community and the feminisation of agriculture in many countries in the Global South; women are left behind to tend the farm and fight the impacts of climate change almost single handed.
- We have heard that threats to human health - particularly coming from livestock and agriculture - lead to rapid changes whilst long term threats to sustainable livelihoods do not. In the same way, climate change will get less of a drastic media/public reaction than a meat supply scandal and air quality problems resonate more than global warming. This is important framing as we have been told that the correlation between what is most important and what captures public imagination is not always direct.
- We have heard that we may be headed towards another food crisis within the next 5-10 years, which would trigger environmentally destructive solutions, such as increasing agrochemical use and irrigation or accelerated deforestation.
- We have heard that we are short-sighted in our approach to impending food and nutrition insecurity and we need to elevate it in the public, government and corporate consciousness.
- We have been told that UN recently came out with a report on how small-scale natural farming will feed the world in the future but that this will not serve small and highly developed countries such as the UK who will need to turn to technologies like vertical/urban farming, aquaponics and agricultural robotics.
- We have heard that up to a third of Indian soil is degraded and if rates of degradation continue it will be a huge problem. Afforestation, agroforestry and multi-cropping with bamboo are some of the measures being promoted by the Indian government to abate this trend and progress is desperately needed.

Climate Change

- We have heard that climate change is the meta-issue of our time; that everything else will fall from our response to it.
- We have heard that climate change must be addressed as a global level but that people feel a lack of agency at all levels in addressing it; complex global negotiations such as the UNFCCC are also leading to fatigue and disengagement for some people.
- We heard of the need for strong national lead movements for change to push governments in the right direction. This is particularly the case where governments are investing in coal for energy production.
- We have heard that humanity's contribution to climate change is complex, global and universal: e.g. hundreds of thousands of people in high carbon industries could (must?) lose their jobs, and people may find their short term living costs

increasing. Such issues create huge political blocks, particularly in the popular press and the unions, which makes forming effective legislation difficult. The challenge exists both in convincing policymakers and in creating the policy itself; understanding these dynamics are key.

- We have heard that change cannot come from civil society or changes in consumer behaviour alone and that we also need policy and regulation.
- We have heard that the risk projections on climate change account well for the likelihood of damage but not for its potential severity: things could become much worse much sooner than our projections suggest if we look at risk as the potential worst-case scenario, which is the way we would address it in other industries.
- A focus on transport is critical - transport is fast becoming the highest producer of greenhouse emissions (in the UK at least) and whilst it is a huge 'problem', it could be a solution. Electric vehicles and reforms of ship and truck building pose key opportunities in reducing the industry's emissions significantly.
- The urban environment and how that develops with regard to urban planning, agriculture, energy use and wastage will be a key part of the future of the planet.
- We have heard that population growth is a huge part of the climate change and consumption story that everyone is uncomfortable to address but remains a huge issue. We also heard thought that addressing 'how we live' is a good deal easier than controlling population.
- We have heard that beyond the specifics of climate change, there are many other issues like air quality and water consumption. In a world that is urbanising quickly, the air in our cities is becoming a major public health threat.
- We have also heard that urbanisation creates additional risk to life from climate change as 70% of cities are on the sea and we will see sea level rises.
- We have heard that whilst we cannot rely on technology and that we will have to change behaviours, regulations and practices, there are also incredible tech advances that can support us to be more efficient and to make our change go further.
- Climate change is one of the few issues that can cross the political divide, in Europe at least: it plays to values set on restoration and conservation of the environment on the right and to notions of justice and ecology for those on the left. Therefore, there is less work to do to build a political consensus in this area of work in key countries.
- We have heard that land use emissions are responsible for ~15% of greenhouse gas emissions and that we need financial markets and governments to begin to pay attention to this complex issue.
- We heard that despite the lack of public education on the topic, China is very vulnerable to climate change - it is already experiencing the effects of water shortages and food insecurity.

Biodiversity, Land & Water

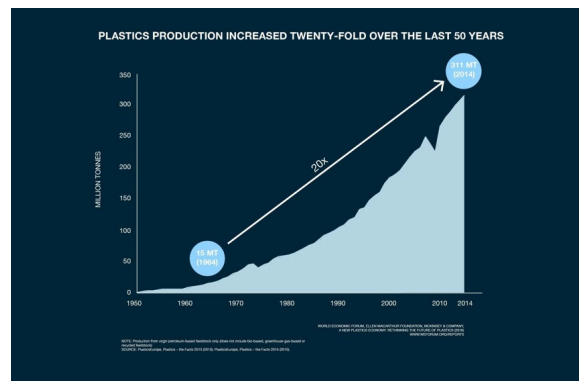
- We have heard that if we make no progress on stopping deforestation, protecting oceans from plastic, preserving soil and protecting animal and plant life that even if we survive climate change, we will not be in a world in which we are able to thrive.

- We have heard that the greatest crimes against nature are being committed today and we are in the midst of our first mass extinction for millions of years.
- We have heard that consumption, economics and a failure of business to have to account for its externalities are driving this destruction.
- We have heard that there may be some keystone species whose extinction could have knock-on effects. We have heard that at some point, we may ‘knock something out that will affect the planet in a critical way’, for example pollinators.
- We have heard that we urgently need to look at fish and the oceans - that fish stocks have depleted incredibly over the last 150 years and today 90% of all fisheries are fully or over-fished and therefore either shrinking or not growing. We have heard that there are obvious leverage points around transparency, consumer and investor activism that could lead to transformation in this industry.
- We have heard about the significant problems connected to toxic waste and that whilst these are slowly coming into the consciousness of governments beyond Europe, we need leadership from global retailers on supply chain behaviour if we are to avoid huge additional environmental damage.
- We have heard that certification programmes can play a significant and valuable role in connecting supply chain behaviour with consumer accountability and supporting businesses to act more sustainably. However, we have also heard that many kite-marks come up short and need to be supported with regulation: they rely on bringing business with them to the extent that they do not reach the goals we need to reach.
- We have heard that water scarcity is already a key global risk and will only pose more risk as climate change builds - that the wars we see in the future will be water wars. We have heard that demand for water globally will outstrip supply by 22% by 2050.
- There are now pilots of market-based performance models for ecosystem services where downstream communities pay upstream communities.

Coal, Oil & Gas

- We have heard that coal, oil and gas need to wind down as industries. That there is no place for them in a 1.5-degree world of the future.
- The relationship of fossil fuels with air pollution is important to note; it is an immediate and tangible impact of its use.
- We have heard that investments in these industries are bad long-term economic investments and bad short term environmental investments - that these industries are bad for the planet and that we need to evolve beyond them.
- We have heard common language of a ‘just transition’ as part of fossil fuel wind-down to support the workers and regions that would lose out from it. However, we have not heard just how ‘just’ this needs to be, who defines it and how much we must be prepared to slow progress for it. These are difficult questions that need honest answers; these need to be addressed in practice, not just in theory though we have heard that no one is really trying to achieve this as a reality.

- We have heard that renewable alternatives are increasing in quality and efficiency and decreasing in price day by day but that the attitudes of consumers and decision-makers continue to see renewables are expensive, unpredictable and unmanageable.
- We have heard that plastics are made from oil and that a key part of their reduction will be in the creation of a circular economy where we reuse, repurpose and recycle rather than continue the exponential production growth we are currently seeing:



- We heard that hydro-electric is an environmentally and socially harmful way to reduce GHGs. However, in the lower Mekong countries, coal and hydro tend to be much cheaper than clean and renewable energies and there are no local subsidies to discourage them.

Government, Legislators and Regulators

- We have heard that many governments are breaking their own climate legislation - that governments themselves do not always act legally.
- We have heard that governments that plan to be in power over a long period - such as the Chinese government - are often better at taking a long-term view on climate change and environmental destruction.
- We have heard that regulators are often ill-equipped for their role. We have heard that the UK Financial Conduct Authority had - until recently - zero staff working on Climate Change and the schemes that they have oversight of have been systematically breached to date.
- We have heard that governments can act, and that progress can be made when they do - we heard that the governments of both Kenya and Rwanda have banned plastic bags and their retail industries have survived.
- We have heard that any change requires a dual focus on policy and enforcement.
- We have heard that new tax regimes globally should be aligned as a lever against carbon and over-consumption.
- We have heard that cohesive governance is key and there are not climate and biodiversity experts in governments globally.
- We've heard a lot about devolution as a theme across this work and understand that local leadership is important as well as national and international - that

people can lead from every chair. From California to Oxford local government leadership is happening at great scale.

- Company and Finance Law could help bolster compliance and create accountability on corporate climate impact.
- Regulators are completely understaffed and not set up to effectively regulate for this. They are also compromised as they are made up of ex-industry personnel and have vested interests in ceding to foreign policy interests.
- We heard that the UK may not be the best focus area for this due to Brexit distractions. However, we have also heard a counter argument; that Brexit - and the need to reconstruct much of the regulatory architecture from scratch - offers the opportunity for the UK to become world-leading in terms of principles and practice.
- We have heard that there are scores of subsidies that support destructive behaviour in the UK and across Europe - these range from subsidies to support unsustainable fishing to subsidies which support the use of fossil fuels and reduce the costs associated with researching, extracting and supplying them to consumers and industries. There also subsidies in the form of a failure to tax fossil fuel use.
- We have heard that you don't have to try change the whole system to have an effect throughout it.
- We have heard that corporate governance codes are already helping shareholders and boards think differently about their purpose and responsibility.
- We heard that in China, and more broadly worldwide, there is a major logistical challenge at governmental level on how to close the gaps in policy and practice that exist on an issue that sits across nine government departments.

Inequality

- We have heard that over the past thirty years there's been a dramatic increase in income and wealth inequality in the majority of countries around the world. With an extreme concentration of wealth at the very top.
- We have heard that seven out ten people live in countries that have become more, not less unequal over the past thirty years.², While today the richest 1% of the world's population hold as much wealth as the rest of the world combined.
- We heard that last year saw the biggest increase in billionaires in history - one more every two days - and that billionaires saw their wealth increase by \$762bn in 12 months. This increase could have ended global extreme poverty seven times over.
- We heard that healthy levels of growth have not led to a greater redistribution of wealth. This is something we are seeing in rich and poor countries alike. Whilst wages have not kept up with productivity increases. The benefits of productivity

² <https://policy-practice.oxfam.org.uk/publications/even-it-up-time-to-end-extreme-inequality-333012>

increases are being absorbed elsewhere in the economy, including through returns to capital.

- We have heard that since the 1970s tax rates for the richest have been falling and that the percentage of corporate prosperity shared by workers is also falling. The rich are getting richer and the rest are being left behind. We have heard that the numbers of people living in working poverty is increasing. Almost 1 in 3 workers in emerging and developing countries live in poverty (below the \$1.90 poverty line). This includes two-thirds of workers in Sub Saharan Africa.
- Young people have been hit the hardest. 43% of the global youth force are unemployed or in precarious jobs.
- We have heard that tax avoidance by businesses and wealthy individuals is estimated to cost developing countries and poor regions \$170 billion a year - money that could be used to fight poverty and provide public services.
- We heard that the relentless pressure to deliver returns to shareholders has driven down wages and fuelled corporate tax dodging on an industrial scale; which is having a massive impact on the resources available to pay for public services.
- We have heard that extreme poverty is unnecessary and that programmes such as Universal Basic services are not unaffordable but need to be paid for as part of a wider social contract.
- We have heard that everything comes down to power and that power is too often associated with privilege and that so long as this is the case making any transformative change will be difficult.
- We have heard that climate change is already affecting those with the least the hardest - that there could be over a billion people displaced by climate change in a generations' time and that those forced to migrate will predominantly be the poorest communities in Africa and Asia.
- We have heard that given the environmental boundaries of our planet, inequality is completely unsustainable: assuming the current level of inequality, the global economy would have to be 175 times bigger to push everyone above the \$5/day poverty line. Which would be environmentally catastrophic.
- We have heard that energy companies are selling a lie that only coal can fix energy poverty and in reality distributed renewables in the global south plus climate taxes on the global north is how we tackle energy poverty and inequality.
- We have heard that there is a fundamental unfairness to the system that is an injustice against future generations that needs to be addressed - that inequality will play out in terms of present against future as well as rich against poor.

Environmentalism

- We have heard about four waves of environmentalism:
 - **First Wave** - Preservation. Protecting wilderness.
 - **Second Wave** - Legislation. Working to ban toxics such as PPT.
 - **Third Wave** - Financial. Economic and Consumer engagement with corporations using economic language.
 - **Fourth Wave** - Communal. Technology enabled oversight by citizens on a large scale to power change.
- We heard that there is a sense that the big issues (e.g. energy transition) are being taken up by government but we need to look at hyper-local data and experiences in order to take up 'Fourth Wave' environmental opportunities.

Mass Participation

- We have heard that change needs to be led by a citizen movement - that we need to change consumer habits in society to better value our long-term future.
- We have heard that we need to focus on people: leadership, movement building, youth and an inclusive diversity of voices.
- We have heard that community equity in local environments - from fisheries to fields is essential to long term good management of them.
- We have heard that people respond to arguments that are economic as well as moral, that are aspirational as well as fear-inducing: that the messaging cannot be all negative. It also depends as much on the messenger as the message.
- We have heard that there is hope in the young - that from China to the UK the environment is a top priority for young people around the world and we should be supporting them in this. How do we ensure that the energised youth do not buy into the status quo as they grow older?
- We were told that young people are being 'short-changed' by the investment community and this could be a rallying cry.
- Connected to this, we have also heard that people respond to positive vision rather than endless doom and gloom.
- We have heard about making data integrated, accessible and visual as a way of mobilising action.
- We have been told that the vast majority of philanthropy in this space is focused on preservation of specific areas of land, sea and animals and that we need bolder leadership.
- We have been told that citizens need to be incentivised to participate in the circular economy if we are to move away from the consumption economy.
- We were told that at present, the public don't have access to information on emissions levels. We were told that getting this information into public hands is key.
- In Guangzhou there is a reward hotline for citizens to report pollutants.
- Pilots of a 'low carbon coin' have been run in some cities in China to reward low-carbon transport and consumption decisions. This has had great public engagement.
- We have heard that in order to foster mass involvement we need to re-think how people identify and create allegiances - moving away from nationalism and political parties towards a global interdependence.

A Global Outlook

- We have heard mixed things about the strategic benefit or loss of being based in the UK.
- We have heard that China is both an independent actor that can move quickly but also is deeply linked to global markets, trends and norms so could be a powerful force for good.

- We heard that India is slower moving due to its democratic structures but will also have a huge influence.
- We have heard that the Global North, particularly the US, is currently not providing leadership and is practicing bad behaviours - it needs to change.
- We have heard that the Gulf States are going to suffer physically from climate change if we do not decarbonise, but will suffer economically if we do.
- We have heard that momentum around the 17 SDGs is influencing longer-term thinking and investments in governments, philanthropy and businesses - this provides us with a great framework for our work.

What We Don't Know

- i. We don't know which geographies to focus on - whether we should be focusing on the UK and/ or the EU or whether we should be looking further afield to China, India and the US for impact.
- ii. We haven't heard a lot about the role of Latin America, Africa or smaller Asian countries and so know little about them.
- iii. How did we get to this short-term approach? What was the rationale behind this?
- iv. Why have lessons not been learned from previous financial crashes and crises?
- v. We don't know how to affect change in a market that does allow for short term profiteering without this change seeming like a sacrifice.
- vi. We don't understand the full thought process behind investment managers and investors' behaviour - do they feel accountable to the effect they have on the planet, do they see themselves as passively performing tasks, or do they not even recognise these questions as the basis for a conversation?
- vii. Who the key drivers of change are within global financial markets and who the emerging figures are.
- viii. What is driving the Chinese renewable energy investment movement and who the key players are.
- ix. How different financial markets are around the world.
- x. How much of a difference could be made by focusing on private business rather than public markets?
- xi. What the historical precedent of major shifts in behaviour of financial markets looks like and how we can learn from this.
- xii. Where we can find transparency within a system that feels relatively opaque.

What We Believe

- We know that environmental challenges are very real: that we are facing a first mass extinction for the first time in millions of years, that the climate is warming to potentially devastating levels due to human action, that we are fishing at

unsustainable rates, that our oceans are full of plastic and our forests are being destroyed and we are polluting soil and rivers. We know that for many around the world the full effects of this are already being felt and that by 2050, if things do not change, we will all feel the full force of those issues.

- We know that this is unjust; the relatively poor suffer whereas generally investors continue to make strong financial returns in the long term.
- We believe that aiming for a 1.5-degree world is insufficient - that we need a multi-capitalist world that values biodiversity and equality in order to survive climate change.
- We believe that the world in which we live is not a fair one - that the circumstances of your birth, your race, your health, your gender and the income into which you were born will play a huge role in facilitating or limiting your future paths.
- We believe that more and more investors and families are thinking like we are even if this is not yet the 'norm'. We have heard and seen momentum build around these ideas and encountered a growing community of people with new insights into how we can make markets work for good. We are excited to learn from and collaborate with these people and organisations.
- Thinking this way is the easy part - the hard part is creating change within the systems.
- We believe that we need to think in terms of multi-capitalism and an economy that strives for balance rather than growth. We think the two graphs below help.
- We believe that despite the vast complications and complexities of this situation, we are not acting with futility when we say we intend to make a meaningful difference. If we fail, so be it, but we will aspire to assist change that is transformative rather than incremental.

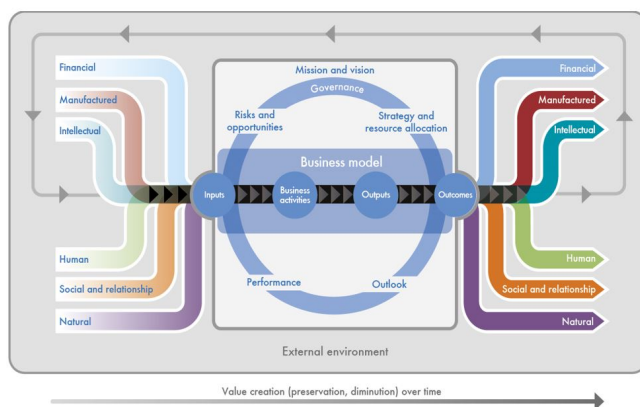


Figure 2 - From IIRC



Figure 1 - From Kate Raworth's Doughnut Economics

Actions, Ideas & Questions Suggested To Us As Focus Areas...

Below are some of the approaches that have been suggested to us. On top of these exciting ideas we are conscious of the fact that systems continually evolve and we need to keep learning and be dynamic in our response to them if we are to be of real service.

Youth, Consumers & Movement Building

- We need to make non-consumption fashionable and build a consumer movement against use of toxics in plastic. The role of advertising in shaping consumer behaviour is key here.
- Could parents be a lever for change, as a constituent with a deep investment in the world in a generation's time?
- Re-engage young people in the political system - 16-30 years olds don't see themselves in the political system which is critical.
- Focus on bringing a diversity of people and voices to decision-making tables.
- We can become more powerful through tech. Creating a 38 Degrees-style platform for the environmental lobby could have strong benefits.
- Make natural capital more visible via data - there are lots of tools on risk but none operate in real time to help make better decisions and there is a disconnect between scientists/experts and decision-makers. We need more equity and power in expert and community hands. We can use data modelling and AI to model for capital expenditure, operational expenditure and IRR of projects in environmental terms.
- Boost capacity of NGOs and social charities.
- Support WWF-Netflix film partnership to raise awareness on environmental challenges.
- Support a website to help consumers 'be more green' in their homes and their shopping.
- Set up special purpose single issue organisations to hold messages on key issues.
- Educate small scale investors and pension holders to mobilise around their investments becoming more sustainable.
- Invest in leaders - we have heard that in all industries and sectors there are incredible people dedicated to reform but that they are often 'undefended leaders' and we should get behind them.
- Put newly available satellite data on CO2 emissions in consumer hands at a mass scale.
- To work towards a new form of identity based on global interdependence.

Reporting & Alternative Systems

- Invest in a market-leading reporting framework on multi-capitalism.
- Convene investors to see how multi-capital thinking can be embedded in their thinking and processes.

- Enhance training and education for analysts and accountants so that they think in a multi-capital way.
- Companies that are winners today are those that are more efficient and effective at externalising costs - we need to show this in order to prevent it happening more.
- Focus on work with government to create local ecosystem services valuation and compensation models.

A Circular Economy

- Support open source circular economy projects that allow more people to participate and share solutions.
- Focus on developing a circular economy which brings a narrative of opportunity. Track and share initiatives that are decoupling growth from resource use.
- Develop a circular economy of plastics and clean up the impact of food production.

Politics, Lobbies & Corporate Behaviour

- Strengthen lobbies fighting against environmental and social harm.
- Build an evidence base which integrates reporting leads with better business outcomes and therefore delivers value.
- Focus on the raw politics of a just transition, build momentum in Aberdeen, currently nicknamed the ‘oil capital of Europe’, and include the unions, business and a financing plan.
- Work with business to identify supply chain natural capital weaknesses and put together a prize fund to address these issues.
- Invest in a Harvard Business School researcher to create the business case for sustainable corporate behaviour across specific, critical issue areas.
- Support progressive corporate employees to make business cases internally for changes toward more sustainable behaviour.
- Spend money to raise awareness of bad corporate behaviour.
- Map sectors such as trucking and shipping and convene critical countries around reforming those sectors to decarbonise.
- Invest in supply chain innovation in the food production ecosystem where there isn’t enough research money/risk capital currently being spent.
- Research and suggest government policies to support a green supply chain (which links closely to the government agenda around supply-side reform).
- Support the greening of supply chains, by increasing companies’ transparency and accountability to the government and public.
- Reduce the disconnect between business people and environmentalists.
- Help focus Chinese government policy around three areas:
 - More effective energy and pollution monitoring systems;
 - ‘Greener’ bank and investment policies domestically and abroad;
 - Influencing corporate behavior, which tends to be harder to change.

Backing Alternatives

- Buy equity in the several growing sustainability-investment platforms. Invest in each of them and also give them money to help them attract further money.
- Look at opportunities to decouple carbon emissions and economic growth by identifying low-emissions growth opportunities (rather than just trying to reduce current emissions).
- Invest in funds looking to create diversified portfolios of equity, debt and venture investment in 'social-first' entities.
- Look into private equity funds supporting the transition towards sustainable fishing.
- Invest in market leaders like Cambridge Associates, LGT, Generation Foundation, Goldman's Imprint Capital.
- The Centre for Sustainable Leadership are working on a strategy for transition to renewable cars and transport for international governments - something we could look at supporting.
- Subsidise renewable energy technology heavily and long term, until 2027.
- Support research into building appropriate value metrics for water.
- Back non-mainstream economists to develop and publicise new models for financial systems.
- Invest in the crypto-currency world to support alternative financial systems.
- Support carbon floor prices, taxes and emissions trading schemes.
- Invest in a policy lab for multi-capitalism (a quantum think tank) which would involve citizens in co-creating policy solutions for the just transition to multi-capitalism.
- Fund a publishing platform/news agency for multi-capitalism, to feed the narrative into the mainstream media.
- Initiate the 'Donut Peace Prize', which awards prizes like Nobel to leaders in the field of multi-capitalism from every sector / discipline.
- Finance a Venture Philanthropy Fund to pick the 3 or 4 most important systems-changing interventions.
- Support country by country decarbonisation plans and anti-coal movements.
- Build green finance tools for SMEs.
- Look at increasing energy efficiency in manufacturing through tech and data as well as innovation.
- Work with poorer rural areas to support the 'new green economy' as they start to engage in industrial production for the first time.
- Fund initiatives to 'mainstream' viable clean technology such as electric vehicles.
- - an enforceable carbon tax that reflects the true damage done from emissions,
- - personal direct responsibility to directors for failing to act in this area (as with Health and Safety legislation) and polluting the air, land and oceans, and
- - greater awareness of the financial and other benefits of utilising clean energy in transport, heat and power.

Advisors

- Look at how we can clamp down on advisors who enable tax avoidance.
- Work with insurers and actuaries to revisit how climate risk is approached.
- Engage asset management companies and pension funds in the green agenda.
- Work with the CIOs of insurance companies to re-define and measure risk.

Tax & Equality

- Could there be a ‘global tax’ on the most wealthy to facilitate greater redistribution and poverty reduction?
- Convene the mega-wealthy and get them to look at where their investments are being made and ask how these investments could be directed to where investment is most needed (socially and ecologically)?
- Could constraints/incentives be put in place to encourage the most wealthy to only focus on social investments?
- Support reform of tax structures for the most wealthy.
- Look at supporting a global minimum effective corporation tax rate to stop the race to the bottom on tax.
- Look at supporting international global standards to review how the world treats tax and the linkages between jurisdictions.
- Look to support coordinated global action to stop tax dodging and eradicate the use of tax havens.
- Explore ways to deliver and define universal basic income.
- Support the development of an institute on tax, with international focus, as this has the biggest scope for change. We must harness our current expressions of desperation in society to inform and drive reform.
- Set up policy and advocacy labs in the global south to challenge the spread of shareholder capitalism.

Institution Building & System Strengthening

- Give to institutions with great connections that are radically under-funded to help them focus on this work, such as the Secretary General’s office at the UN.
- Support the integration of climate and biodiversity experts in governments and government bodies globally.
- Invest in a spectrum of large charities such as Greenpeace and WWF, ensuring that this core of organisations have sufficient income to innovate, develop and shift policy within the corporate sphere.
- Support communication and collaboration across sectors. Shared governance is most important to biodiversity so working on this is important.
- Study the impact of ETS (Emissions Trading System) on company production and economic performance;
- Fund South-South cooperation around a green Belt and Road and exchanges on green policies and practice.
- Evaluate, appraise and research the effectiveness of the eco-civilisation agenda.

Climate Change & Biodiversity

- Protect fragile ecosystems whose demise would have terrible knock-on effects e.g. areas that are used for fish spawning, areas that house rich bird life, etc.
- Invest in green urban spaces and bolster efforts to tackle air pollution.
- Invest in improving energy efficiency - in the EU there is a 75% funding gap in this space.
- Develop incentives to increase uptake of commercially available renewable technologies, specifically targeting local governance.
- Invest in getting scientists in front of politicians - particularly Antarctic experts.
- Pay researchers to re-do climate risk assessment work to focus on extreme event attribution.
- Focus on industrial decarbonisation as a key area.
- Focus on methane reduction and exposure of leaks associated with natural gas.
- Look at costing of water pollution from agriculture and pollution from sewage.
- Focus on innovation in the fertiliser industry which is a key industry to food security, greenhouse gases and biodiversity.
- Work towards responsible land use via financial stewardship.
- Do research into water footprints in China.
- Expose the major discrepancy between export and import data e.g. on timber going into China. For example, many African countries have low export numbers and yet China has high timber import numbers from those countries showing that domestic fraud and illegal logging prop up their supply.

Tech & Innovation

- Support greater investment in three key technologies in Europe - solar, wind and innovative batteries.
- Develop research on new nuclear fuels such as thorium and molten salts. China is leading the market on interesting new nuclear energies.
- Focus on developing technology for clean transport.
- Invest in synthetic biology: new materials and batteries are innovations with scope for large scale positive change.
- Use AI tools to lead ecosystem changes and also make energy grids more efficient.
- Support the development of infrastructure for electric cars and encourage the subsidisation of research and development into this technology.
- Invest in insect-based protein development.
- Invest in additives that reduce cow methane production.
- We have heard that using imagery and data about pollution we can mobilise public attitudes against polluters.
- As 'hard tech' has become more sophisticated, focus on 'soft tech' green opportunities under the banners of Artificial Intelligence, Data and the Internet of Things.

Moments

- We heard that there are moments in time that crystallise problems, and that being ready to act on this momentum is key.
- COP 24 takes place in Poland in Nov 2018. We could work with insurance companies who have assets in Poland and create a development fund working on projects like renovating homes and investing in small businesses.
- Make Europe a demonstrator of progress. This is important, but the heart of the EU is oil and coal, so progress will be hard.
- As the ten-year anniversary of the Climate Change Act approaches, we should build momentum through NGOs to get the government to go net zero on CO₂ emissions.
- Support campaign around coal use in Germany and Eastern Europe and force environmental impact assessments of new stations to stop building.
- We also heard that the big political moment on climate change is likely to be 2020, when governments will need to put new mitigation commitments on the table. We could help build a coalition of five or six critical countries and support and invest in civil society, businesses, investors and movements to push governments to do more.
- We heard that Japan's presidency of the G20 in 2019 will provide an important opportunity to input into a programme which is likely to be focused on recommendations to implement the SDGs.
- In late 2018 the World Investment Forum is a chance to interact with global investment decision-makers.
- In the EU, policymakers will be launching a 'Corporate Reporting Lab' with the aim of advancing greater innovation in disclosure, including how to advance inclusive growth and sustainable development. There is an opportunity to influence the agenda of this 'Lab' from its outset.
- In 2019, IOSCO's annual conference is likely to address for the first time the issue of sustainable finance - this is a real opportunity to influence global capital market decision-makers.

A Final Note

If you want to learn more about this area, we would recommend Kate Raworth's book, Donut Economics, as well as her TED Talk which is available at:

https://www.ted.com/talks/kate_raworth_a_healthy_economy_should_be_designed_to_thrive_not_grow

“You never change something by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”

-Buckminster Fuller, Inventor