

# SRI Services & Partners Annual Good Money Week Event

The sustainable investment event for financial advisers, planners and wealth managers

Event partners:



Hosted by:



Keynotes:



Part of:



Event support:



CPD provider:



# Event Agenda

Click to visit Fund EcoMarket Database:



10:00 – 10:10 - Welcome – Julia Dreblow – **SRI Services**

10:10 – 10:25 - Good Money Week update – James Alexander, CEO – **UKSIF**

10:25 – 10:45 - Fund EcoMarket & industry update

10:45 – 11:30 - Fund Manager **Session 1**: Exploring the new SDR regime and labelling process

11:30 – 11:50 - *Coffee break*

11:55 – 12:25 - Fund Manager **Session 2**: Beyond the labels

12:30 – 13:15 - **MORNING KEYNOTE** – Sacha Sadan, Director of ESG – **FCA**

13:20 – 14:20 - *Lunch break*

13:35 – 14:05 - ‘Portfolio managers share responses to recent developments’

14:20 – 14:30 - Welcome back – Julia Dreblow

14:30 – 14:55 - **GUEST SPEAKER**: Mike Clark, Founder & Director – **Ario Advisory**

14:55 – 15:20 - Fund Manager **Session 3**: Leading change

15:25 – 16:05 - Fund Manager **Session 4**: Articulating sustainability with confidence

16:05 – 16:25 - *Coffee break*

16:25 – 16:50 - Fund Manager **Session 5**: Leading change

16:50 – 17:15 - **PM KEYNOTE** – Mark Campanale, Founder – **Carbon Tracker Initiative**

17:15 – 17:30 - Close – Julia Dreblow

17:30 – 20:30 - Drinks reception & canapes

# Morning agenda

10:00 – 10:10 - **Welcome** – Julia Dreblow, Founder & CEO – SRI Services & Fund EcoMarket

10:10 – 10:25 - **Good Money Week update** – James Alexander, CEO – UKSIF

10:25 – 10:45 - **Fund EcoMarket & industry update** – Julia Dreblow, Founder & CEO – SRI Services & Fund EcoMarket

10:45 – 11:30 - **Fund Manager Session 1: Exploring the new SDR regime and labelling process**

- Therese Niklasson – Newton Investment Management
- Caroline Langley – Quilter Cheviot Investment Management
- David Harrison – Rathbones Asset Management
- Seb Beloe – WHEB Asset Management

11:30 – 11:50 - **Coffee break**

# Welcome Address

Julia Dreblow

*Founder & CEO*

SRI Services & Fund

EcoMarket



# Julia Dreblow

*Founder & CEO*

SRI Services & Fund EcoMarket



Julia has specialised in sustainable investment for nearly 30 years. A passionate advocate for the area, she founded SRI Services and the Fund EcoMarket fund tool in 2010 to help financial advisers match funds to diverse client preferences.

Her work is however varied, including helping the FCA to shape SDR, as a member of their Disclosure and Labels Advisory Group, and vice chair of the Adviser Sustainability Group - the industry led working group established by the FCA in January 2024. She is also the technical author of the soon to be published British Standards Institution's sustainable fund standard PAS (BSI PAS 7342). She started her career as a broker consultant at NPI and Friends Provident.

[www.FundEcoMarket.co.uk](http://www.FundEcoMarket.co.uk)



# Welcome to the SRI Services & Partners Good Money Week event 2024

Julia Dreblow

Founder, SRI Services & Fund EcoMarket

C30 years in retail sustainable investment.

Good Money Week co-founder 2009, DLAG member, vice chair

FCA's 'Advisers Sustainability Group', BSI PAS 7342 author

[www.FundEcoMarket.co.uk](http://www.FundEcoMarket.co.uk)



This presentation is for information purposes only. We are not regulated or authorised to offer

# Welcome!

- 16<sup>th</sup> Good Money Week!
- Thank you for your support!
- Heads up – we will be filming
- Housekeeping – no fire alarm, food (mostly but not all vegetarian/vegan)
- Working together as critical friends – doing what we can to shift the dial, in an imperfect world – for everyone's benefit
- Format: regulation > opportunities
- 6 hours CPD
- Please stay and mingle!

# Good Money Week update

James Alexander  
CEO  
UKSIF



# James Alexander

CEO

UKSIF



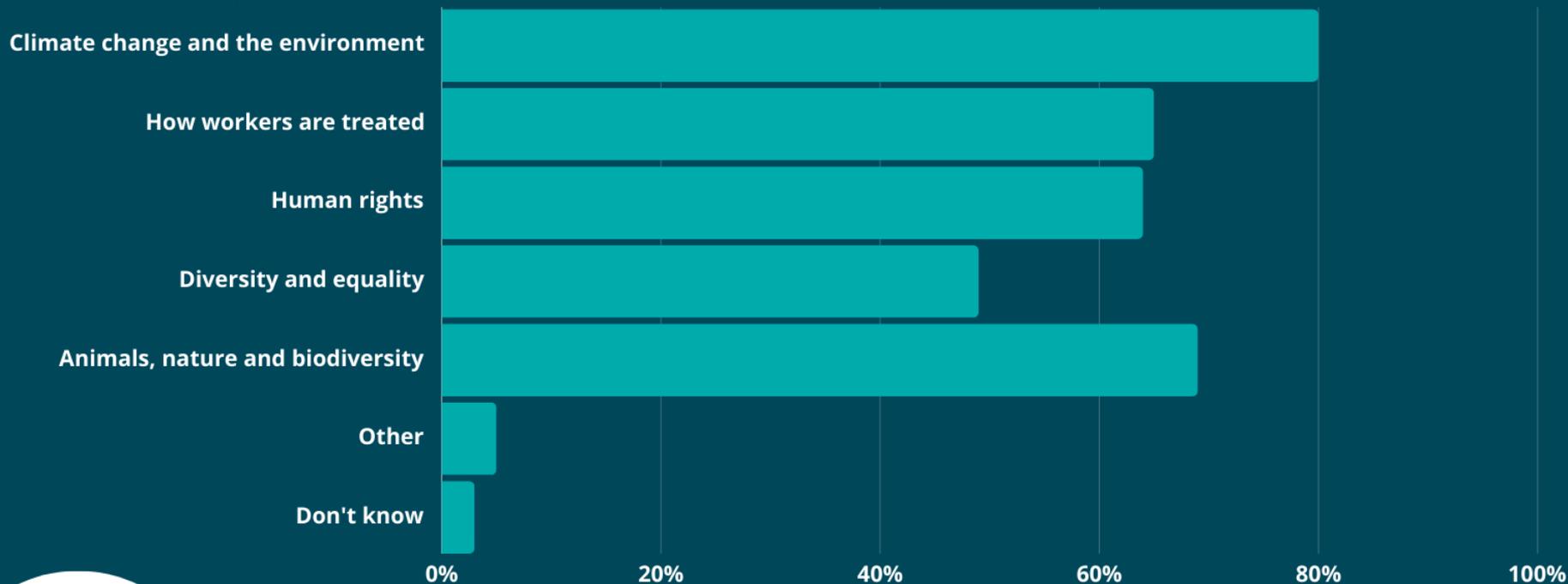
James is Chief Executive of UKSIF, driving the organisation's objective of advancing sustainable investment and finance in the UK, and also serves as Chair of the Global Sustainable Investment Alliance (GSIA), working to unlock the power of the worldwide financial services industry to accelerate the transition to a sustainable future.

James joined UKSIF in 2020 with a background in international climate finance and infrastructure finance as well as many years' experience in leadership roles in membership organisations. Since then, UKSIF has grown substantially, now representing over 300 organisations, collectively managing over £19tn. He has also overseen the expansion of UKSIF's communications, public affairs and events programmes, increasing the organisation's capacity to influence decision makers, promote sustainable finance in the media, and facilitate industry collaboration.

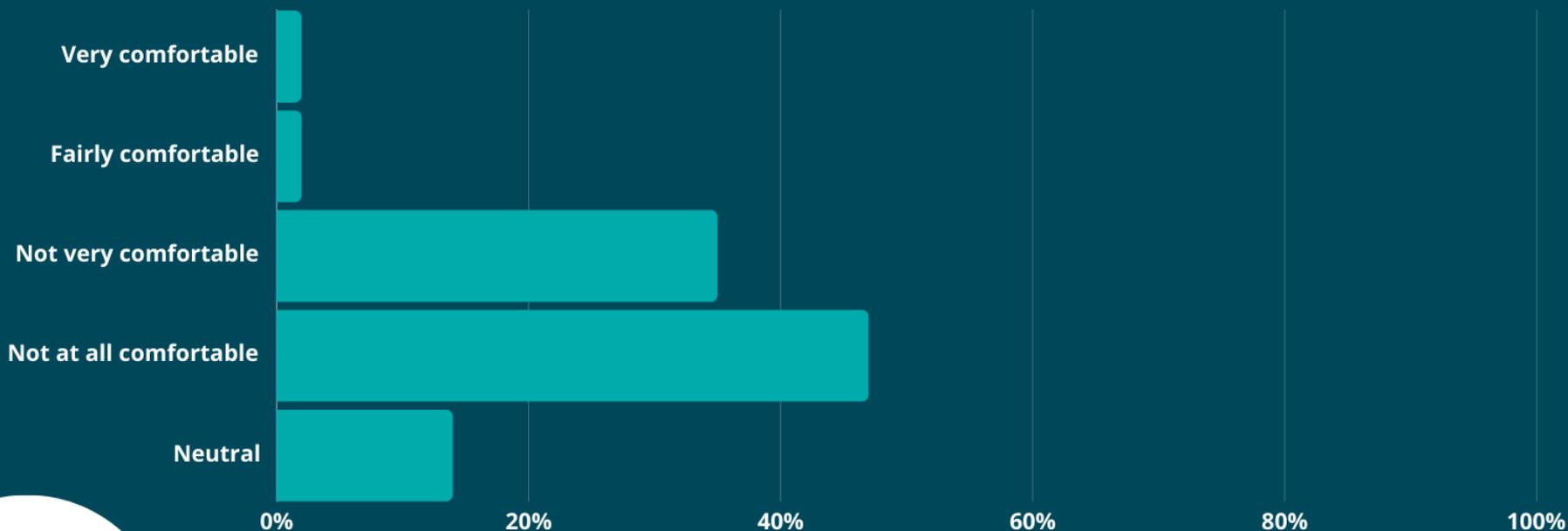
James has represented UKSIF at Treasury and DWP select committees and is a member of multiple government and regulatory working groups. In August 2023, he was appointed Chair of the Global Sustainable Investment Alliance and he also serves as Treasurer of Eurosif, the European Sustainable Investment Forum. In November 2023, James was awarded Outstanding Individual Contribution to the ESG Investment Industry at the Clear Path Analysis ESG Investment Leader Awards.

Previously, James supported global megacities to overcome the substantial barriers to financing climate action as Director of the City Finance Programme at the C40 Cities Climate Leadership Group and Head of the C40 Cities Finance Facility – a project preparation facility he developed, now supporting cities across the world to structure nearly a billion dollars of sustainable infrastructure transactions. James has worked on international climate finance issues at the UN level and remains a member of the UN SDSN Global Commission for Urban SDG Finance, Chaired jointly by Jeffrey Sachs and the Mayors of Paris and Rio de Janeiro.

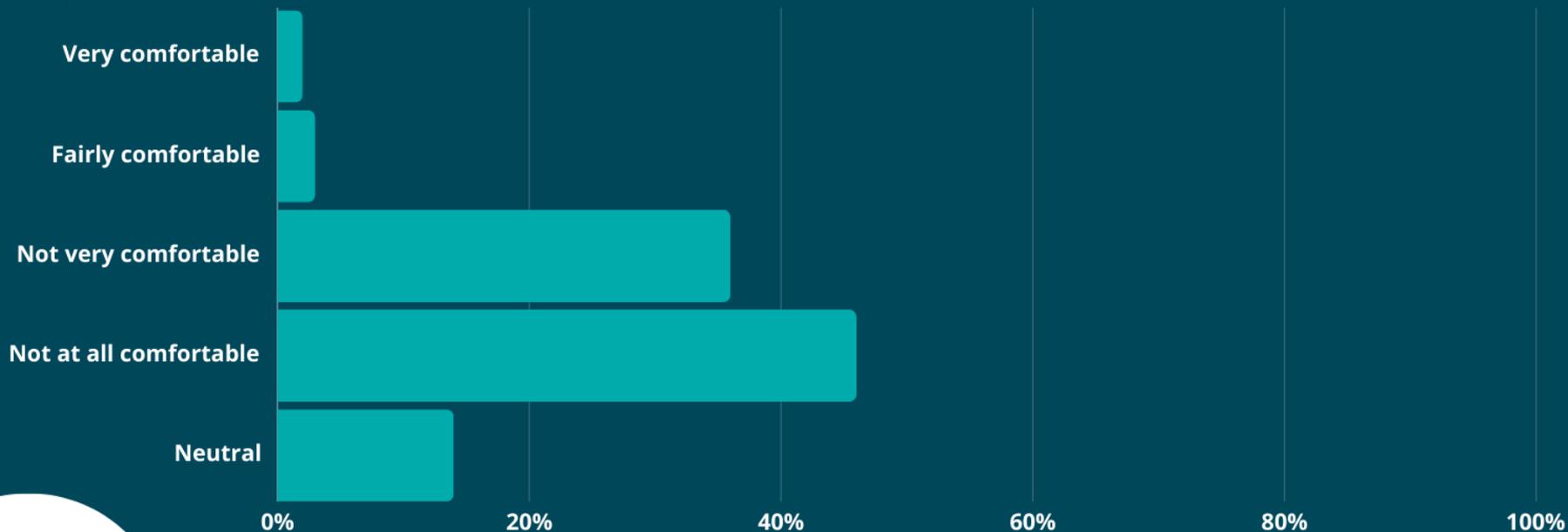
# Thinking about your personal values, in what ways do you want your savings, investments and/or pension fund to make a positive difference in the world?



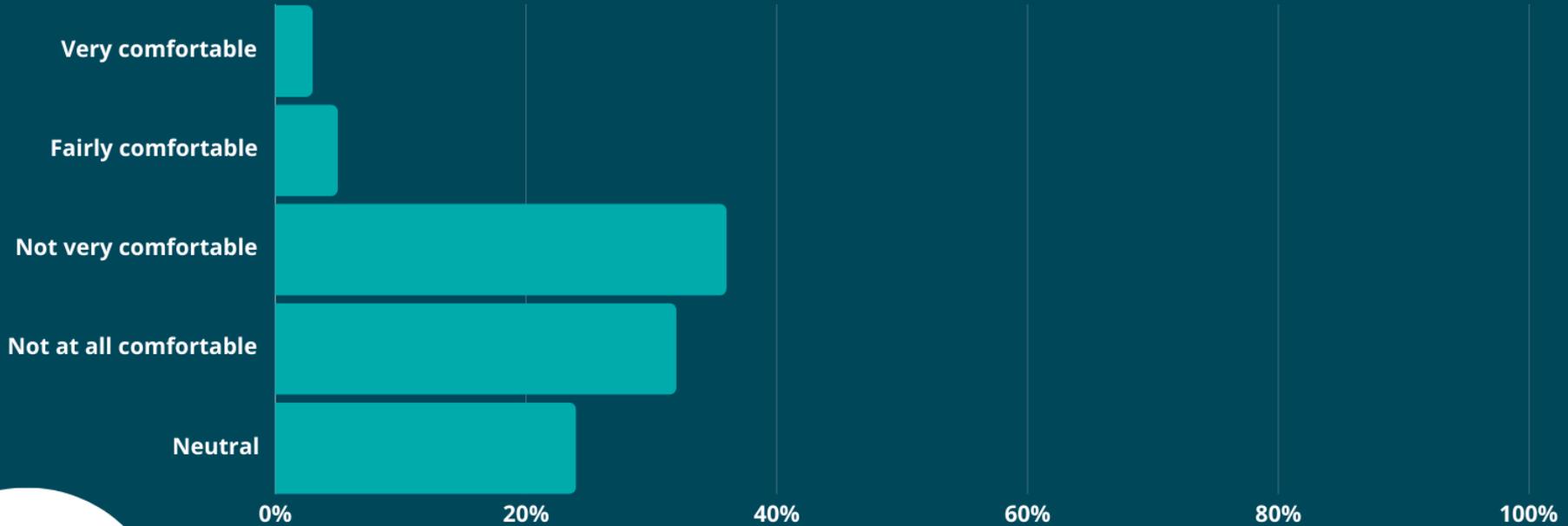
# To what extent are you comfortable or not comfortable with your savings/pensions being invested in companies which are treating their workers badly?



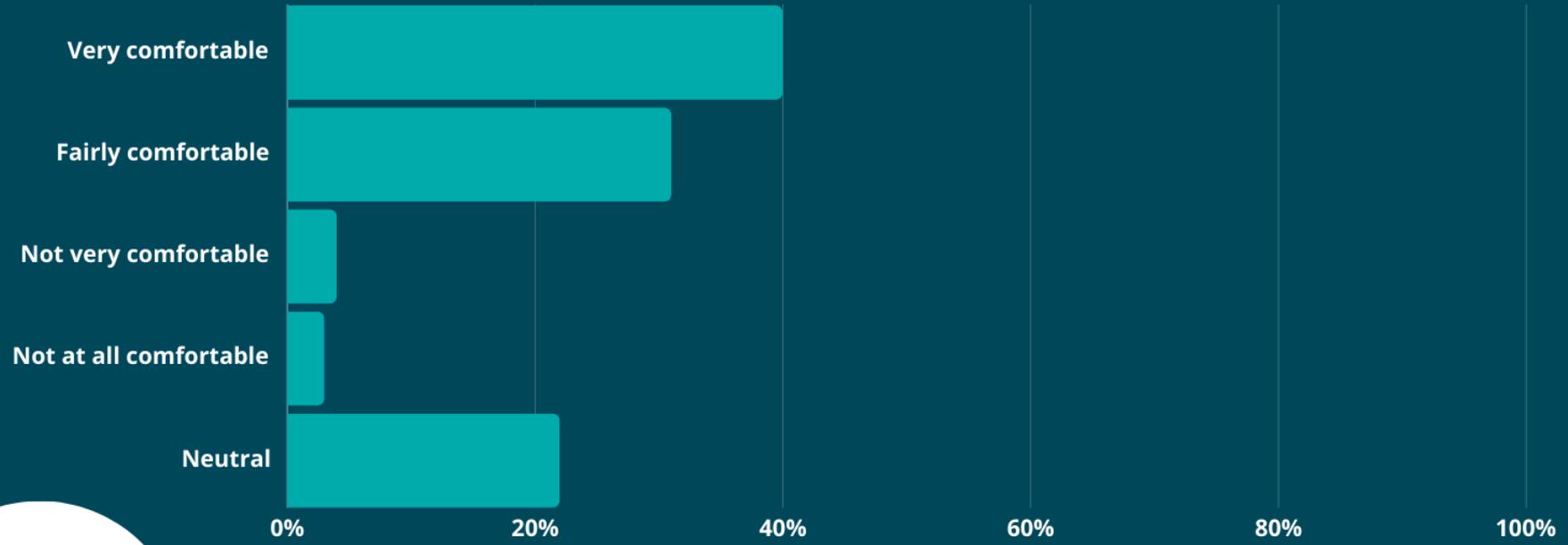
# To what extent are you comfortable or not comfortable with your savings/pensions being invested in companies which are treating their customers badly?



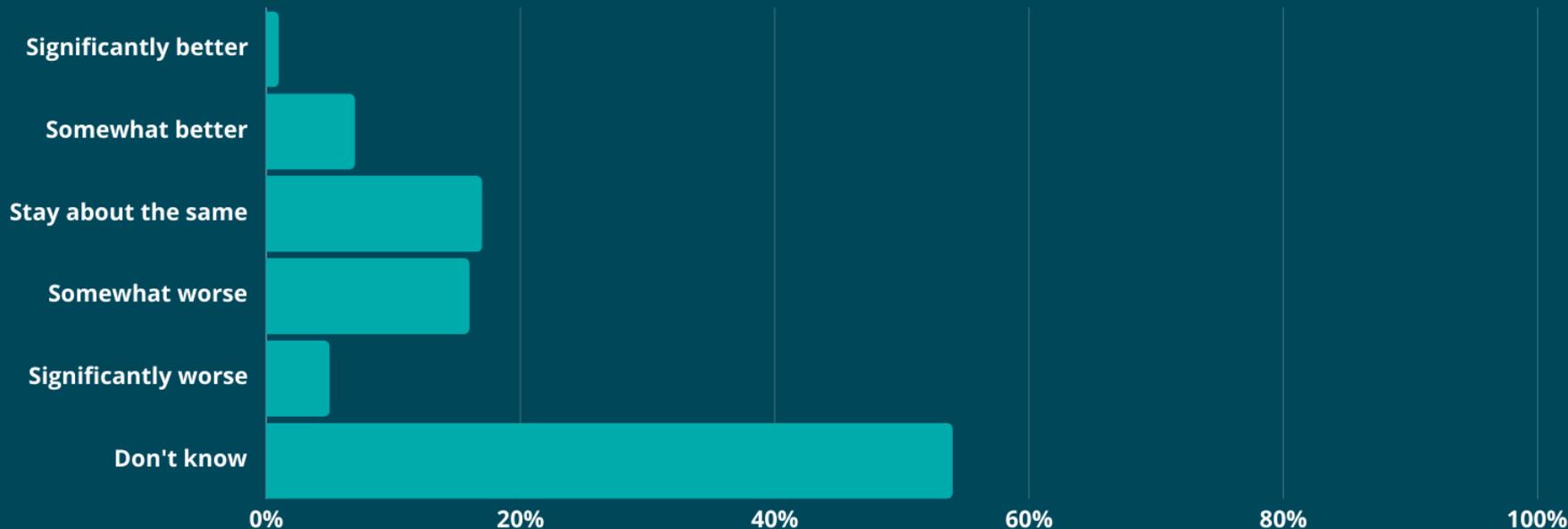
# To what extent are you comfortable or not comfortable with your savings/pensions being invested in companies which are negatively impacting the environment and climate?



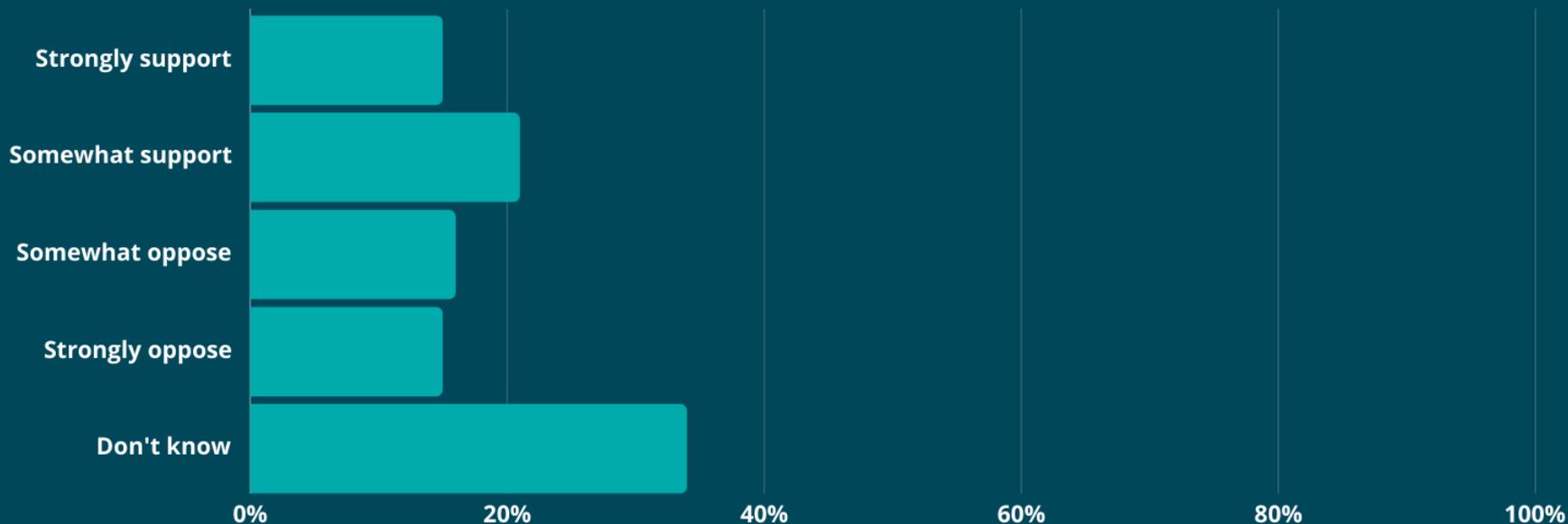
# To what extent are you comfortable or not comfortable with your savings/pensions being invested in companies which are helping to solve environment and climate issues?



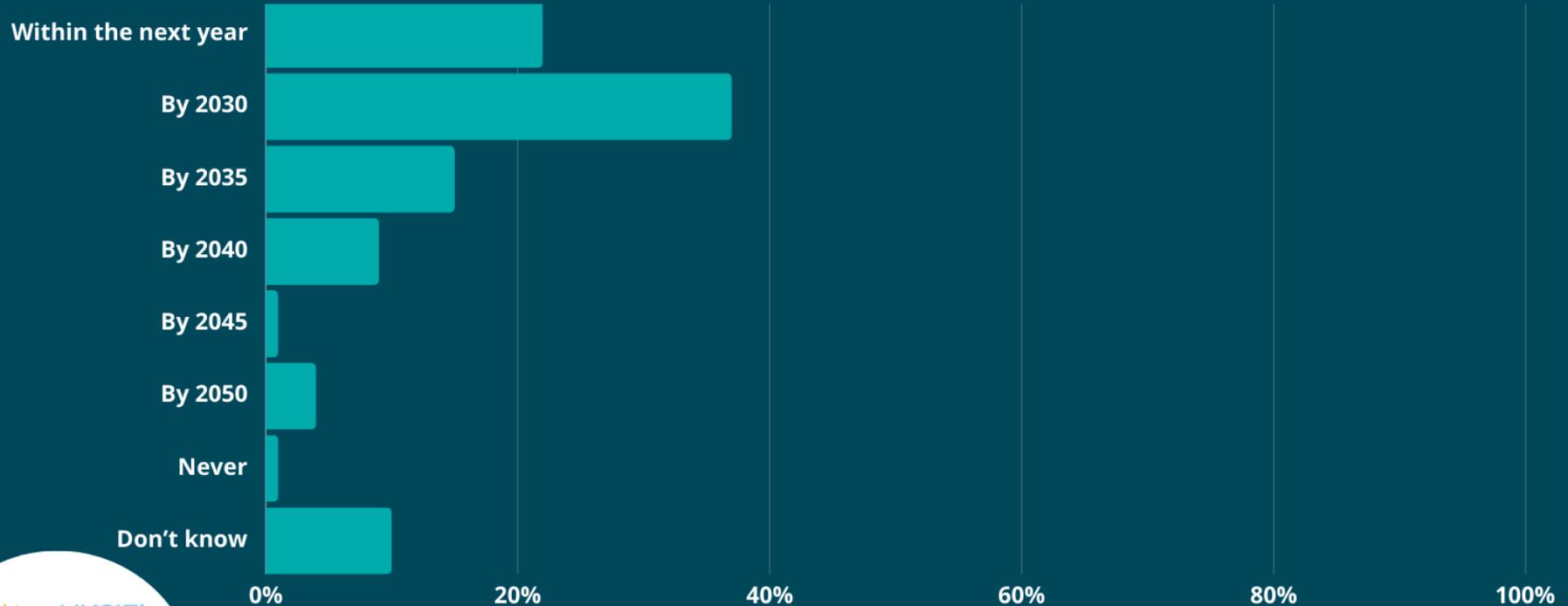
# Do you think pension funds that only invest in environmentally sustainable business and industries, perform generally better or worse than those which include environmentally unfriendly business or industries?



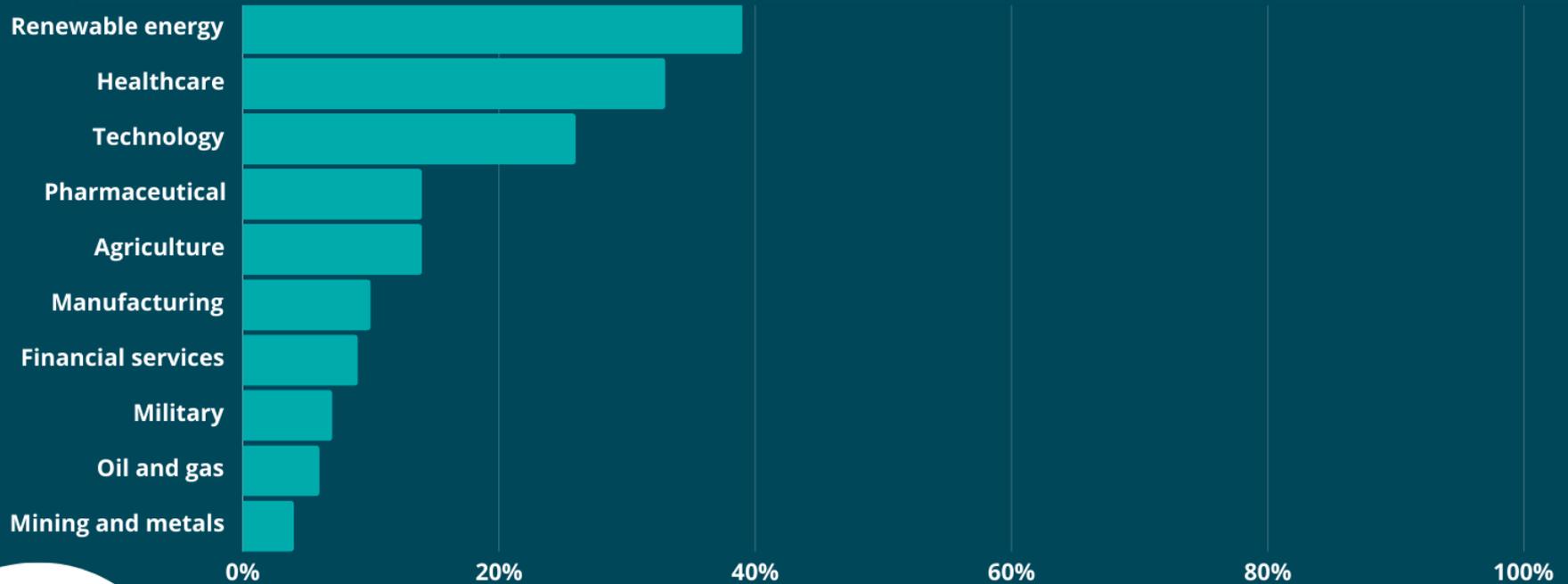
## Would you support or oppose UK pension providers to stop investing pensions in the oil and gas industry?



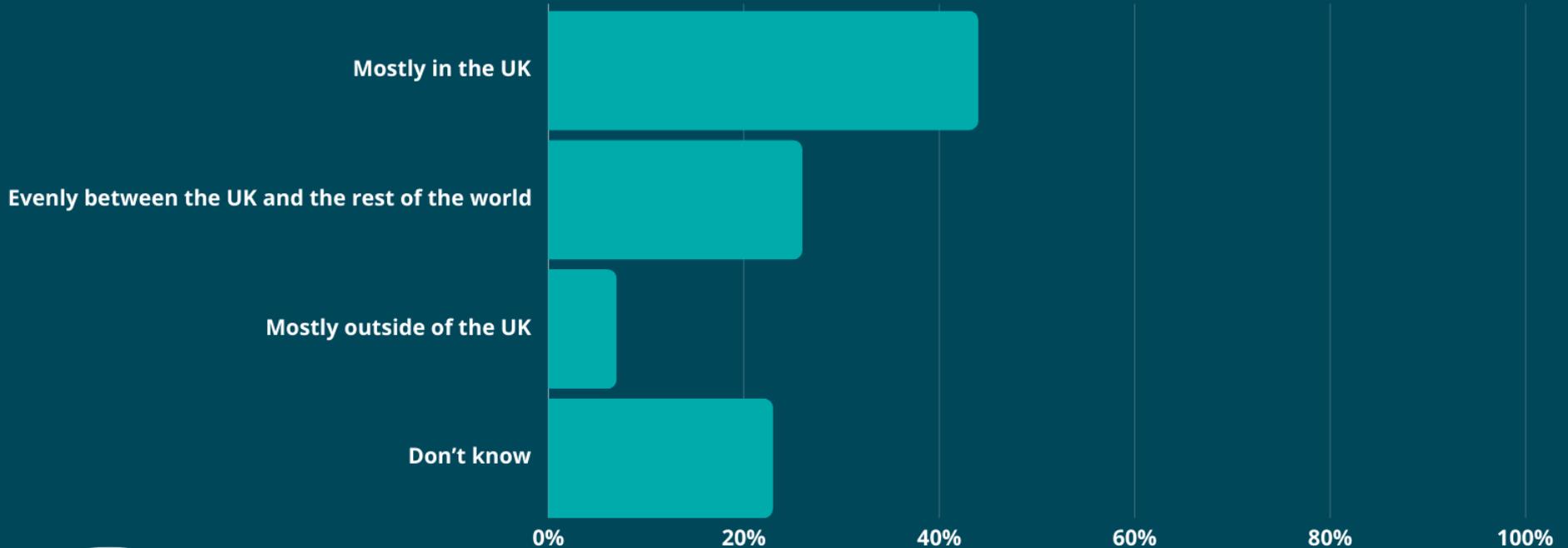
# You said you'd support pension providers stopping investments in the oil and gas industry. Within what time frame would you like to see this change happen?



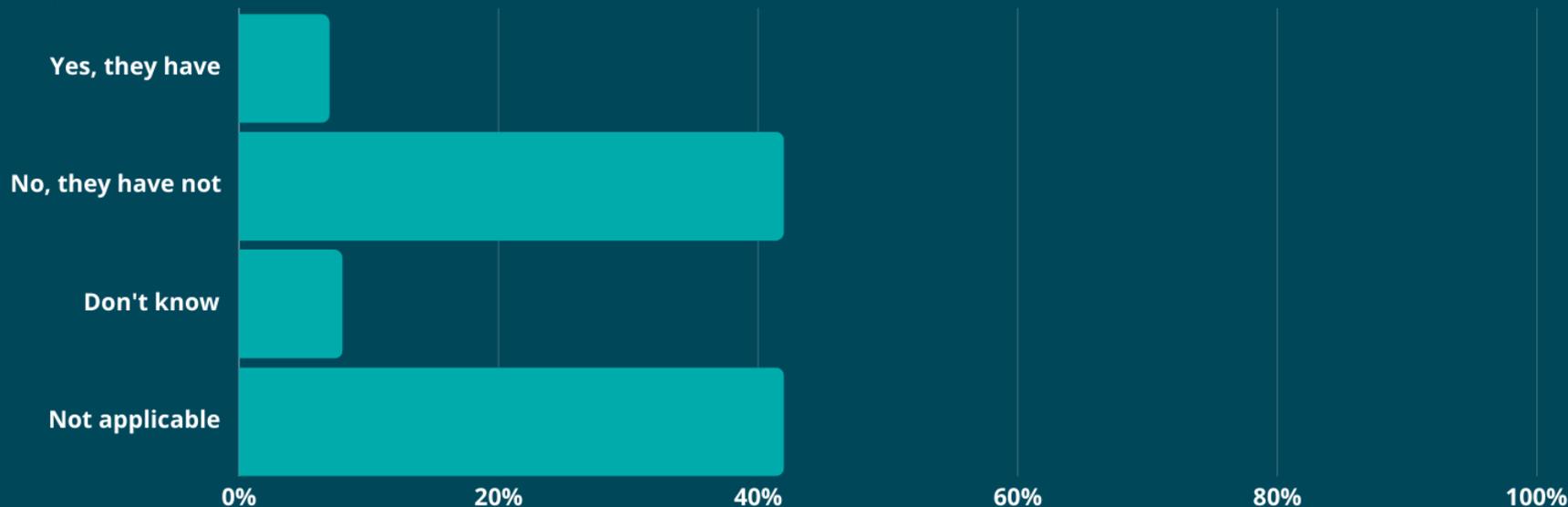
# Which of the following industries, if any, would you most like to see your money (including your pension) invested? Please select up to three.



# Thinking about your pension, do you want your pension to be invested...

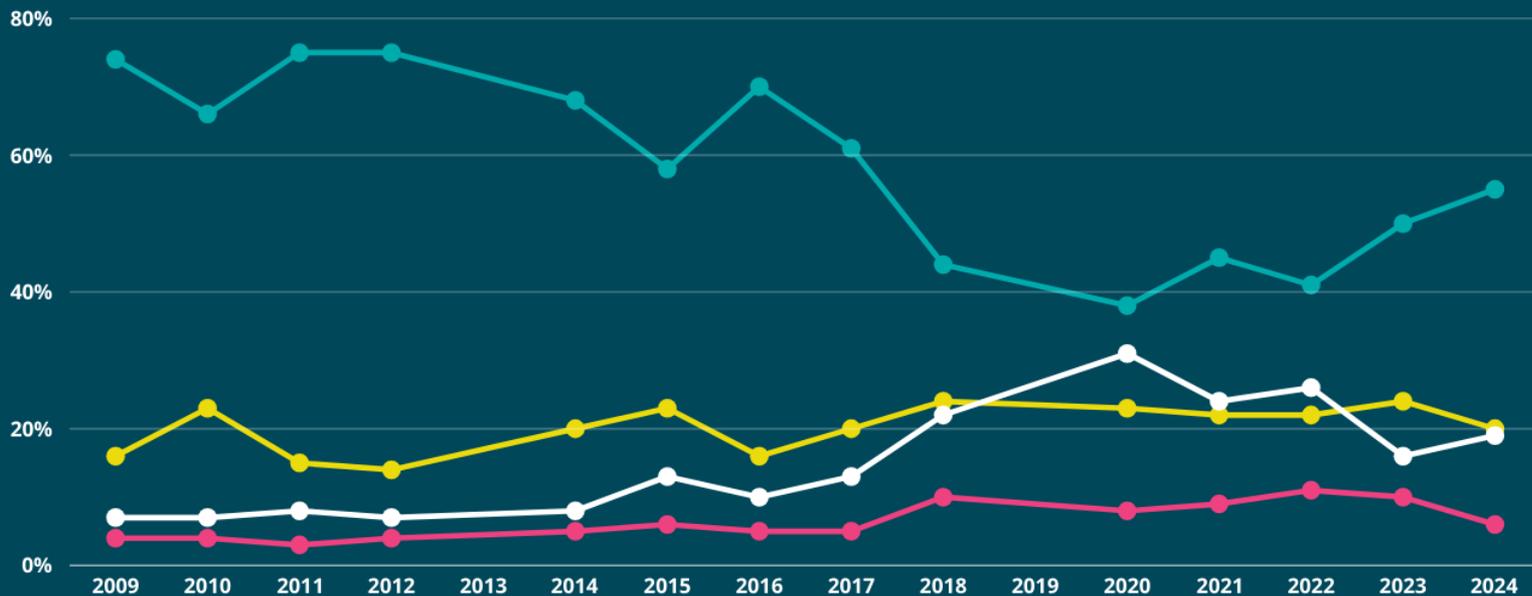


# Thinking about your financial investments, has your employer or financial advisor made you aware of environmentally sustainable financial products available?



# Considering how and where you invest your money (including green and ethical investments), which, if any, of the following statements comes closest to your view?

- "I am only OR mostly concerned about whether my investments make money"
- "I am only OR mostly concerned about whether my investments make a positive difference to the world"
- "I am equally concerned about whether my investments make money and make a positive difference to the world"
- "Don't know"



# Fund EcoMarket & industry update

Julia Dreblow  
*Founder & CEO*

SRI Services & Fund  
EcoMarket



## Fund EcoMarket update and market overview

- Fund EcoMarket 4.0
- Why we need(ed) - and welcome - SDR
- The key issues SDR is designed to address
- Overview of the new SDR rules
- Adviser Sustainability Group update
- Some opinions on how it is going / backdrop to panel sessions



## FundEcoMarket.co.uk 4.0

- Extensive directory, showing what sustainable, responsible, ESG and ethical retail funds (and AFMs) do
- Information (filters, text & links) direct from fund managers / DFMs
- Designed for advisers & wealth managers (Stylefinder questionnaire, pdfs etc)
- 250 retail friendly filters – including SRI Styles & SDR
- Free thanks to our fund partners – and affiliates
- Apps available (ish)

Find a Financial Adviser Fund EcoMarket App SRI Stylefinder Tool Newsletter Sign up

sri Home About SRI & ESG Events Blog Support About SRI Services eco Access Database

Fund EcoMarket is free to use thanks to our partners.

Search by fund name ... Search

Expand filters

Fund Basics Product Type Asset Type Geographic Region SRI Styles SDR Labels

Fund information

SUSTAINABILITY & ENVIRONMENTAL Nature & Biodiversity Climate Change & Energy Environmental - General Sustainability - General

SOCIAL & ETHICAL Social / Employment

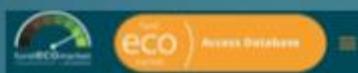
Displaying 1322 of 1322 options from Fund EcoMarket Select All Print/Save Selected Funds

Rathbone Ethical Bond	Edentree Global Impact Bond Fund	BNY Mellon Sustainable Global Dynamic Bond
<input type="checkbox"/> Select RATHBONES	<input type="checkbox"/> Select Edentree	<input type="checkbox"/> Select BNY
SRI Style Ethical	SRI Style Sustainable	SRI Style ESG Plus
SDR Label Working towards adopting label	SDR Label Working towards adopting label	SDR Label --
Product OEIC	Product OEIC	Product OEIC
Region UK	Region Global	Region Global
Asset Type Fixed Interest	Asset Type Fixed Interest	Asset Type Fixed Interest
Launched 14/05/2002	Launched 24/01/2022	Launched 30/01/2020
More info →	More info →	More info →

T. Rowe Price US Impact Equity Fund	Janus Henderson UK Responsible Income Fund	Janus Henderson US Sustainable Equity Fund
<input type="checkbox"/> Select T. Rowe Price	<input type="checkbox"/> Select Janus Henderson	<input type="checkbox"/> Select Janus Henderson
SRI Style Pending	SRI Style Ethical	SRI Style Sustainability Tilt
SDR Label --	SDR Label --	SDR Label --
Product SICAW/Offshore	Product OEIC	Product OEIC
Region USA	Region UK	Region USA
Asset Type Equity	Asset Type Equity Income	Asset Type Equity
Launched 14/11/2022	Launched 15/05/1995	Launched 20/09/2022

Search by SRI Style or SDR label

Search by SRI Style or SDR label



Expand filters

Fund Basics

SRI Styles

- Sustainable (14)
- Environmental (3)
- Social (5)
- Ethical (5)
- Faith Based (3)
- ESG Plus (2)
- Sustainability Tilt (3)
- Limited Exclusions (5)
- Other (5)
- Pending (5)
- Unclassified (5)

Asset Type

Geographic Region

Product Type

For info only. We are not authorised.



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Search by fund or AFM issue / approach



SOCIAL & ETHICAL

Social / Employment

Ethical Values Led Exclusions

Human Rights

Meeting Peoples' Basic Needs

Gifts & Sovereigns

- Gifts / government bonds - exclude all (1)
- Gifts / government bonds - exclude some (5)
- Invests in gifts / government bonds (NEW) (5)
- Invests in sovereigns as an unscreened asset class (NEW) (3)
- Invests in sovereigns subject to screening criteria (NEW) (1)
- Does not invest in sovereigns (NEW) (1)

GOVERNANCE & FINANCIALS



Full fund report (info from FM)

Full fund report (info from FM)

Objectives

Sustainable, Responsible & Ethical Investment

ESG Risks

Environmental	Social	Human Rights
<ul style="list-style-type: none"> <li>Climate Change</li> <li>Water</li> <li>Waste</li> <li>Pollution</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Labour Practices</li> <li>Human Rights</li> <li>Community Relations</li> <li>Product Safety</li> <li>Customer Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Human Rights</li> <li>Human Rights</li> <li>Human Rights</li> <li>Human Rights</li> </ul>

# Language matters

(but not as much as ensuring clients understand what funds do, imh)

**Sustainability / sustainable** - can go on & on

**ESG / ESG focus** - risk focus

**Impact investment** - real world outcomes / theory of change - for label

**Stewardship** - engagement & responsible ownership

**Ethical** - personal values, but previously E&S (also 'generic' in retail)

**Tilt** - overweight / underweight positions

**Greenwash** – overstating environmental credentials for business benefit

**Intentionality** – funds specifically aiming to improve things

**Transitioning / Transition plan** – moving (planning shift) towards a sustainable business model

**Other?**



## Office of National Statistics (ONS), Q4 2022

When asked about a range of issues, **climate change was the second biggest concern** facing adults in Great Britain (74%), with the rising cost of living being the main concern (79%).

- **Around three in four adults (74%) reported feeling (very or somewhat) worried about climate change;** the latest estimate is similar compared with the percentage who said they felt worried (75%) around a year ago.

- **Around 1 in 10 people (9%) felt unworried** (somewhat unworried or not at all worried) about climate change, higher than a year ago when it was 6%, and around one in five (17%) said they were neither worried nor unworried.

<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/worriesaboutclimatechangegreatbritain/septembertoctober2022>

## FCA Financial Lives Survey 2022

'...at May 2022 79% of consumers think businesses have a wider social responsibility than simply to make a profit'.

<https://www.fca.org.uk/publication/financial-lives/fls-2022-consumer-investments-financial-advice.pdf>

### ESG issues resonated broadly across all age groups in 2022

Proportion of adults who agreed with the following attitudinal statements about ESG issues (2022)



**E:** 74% agreed environmental issues are really important to them (77% in 2020)



**S:** 79% agreed businesses have a wider social responsibility than simply making a profit (80% in 2020)



**G:** 85% strongly believed businesses have a duty to pay their employees fairly, have a diverse workforce, and control executive pay



Base: All UK adults (2021: 1,829/ 2022: 4,182)

Question: AT18. How much do you agree or disagree with the following statements?

Note: Comparable 2020 data not available for those who strongly believe 'businesses have a duty to pay their employees fairly, have a diverse workforce, and control executive pay'

## FCA Financial Lives Survey 2022

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### The final package includes:



**An anti-greenwashing rule** for all FCA authorised firms to reinforce that sustainability-related claims must be fair, clear and not misleading. We are also consulting on supporting guidance



**Four labels** to help consumers navigate the investment product landscape and enhance consumer trust



**Naming and marketing rules** for investment products, to ensure the use of sustainability-related terms is accurate



**Consumer-facing information** to provide consumers with better, more accessible information to help them understand the key sustainability features of a product



**Detailed information** in pre-contractual, ongoing product-level, and entity-level disclosures, targeted at institutional investors and consumers seeking more information



**Requirements for distributors** to ensure that product-level information (including the labels) is made available to consumers

# SDR highlights 'characteristics' Vs 'positive outcomes'

FCA PS23/16

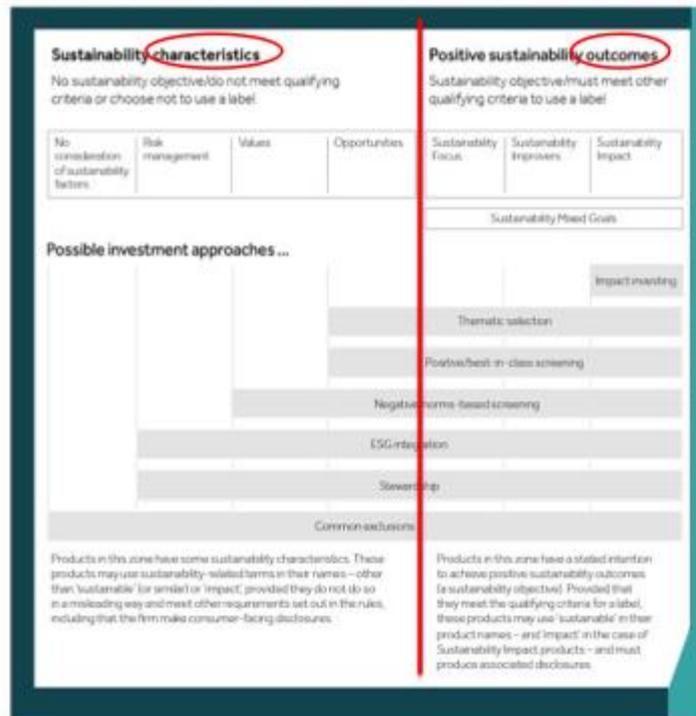
## Intended outcomes:

Address greenwash – to protect clients

Increased sustainability information – to protect markets

Consumers to use labels – to improve competition

Figure 2. A stylised map of the landscape



## Labelling basics:



Labels are not approved by the FCA,  
amends to pre-contractual disclosures are

Only in scope funds can chose to use labels

Labelling focuses on 'positive' attributes (and evidence)

At least 70% of labelled sustainable fund assets to align  
to objectives – (AM to define what this means).

No (labelled) fund assets should 'conflict with objectives'

Specific rules for each label

### Summary of key features of the qualifying criteria

- 5.10 To use a label, products must meet the general and specific criteria relating to that label on an ongoing basis. Firms must also meet certain requirements and make associated disclosures.
- 5.11 The general criteria fall under 5 key themes:
- **Sustainability objective.** All products using a label must have a sustainability objective to improve or pursue positive environmental and/or social outcomes as part of their investment objectives. Firms must identify and disclose whether pursuing the positive sustainability outcomes may result in material negative outcomes.
  - **Investment policy and strategy.** Ordinarily, at least 70% of the product's assets must be invested in accordance with its sustainability objective, with reference to a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability. Firms must also identify and disclose any other assets held in the product for other reasons (eg, cash, derivatives), including why they are held.
  - **KPIs.** Firms must identify KPIs to measure progress against the sustainability objective (these can measure the progress of the whole product or individual assets)
  - **Resources and governance.** Firms must ensure there are appropriate resources, governance and organisational arrangements to support delivery of the sustainability objective.
  - **Stewardship.** Firms must identify and disclose the stewardship strategy needed to support the delivery of the sustainability objective, including activities they expect to take and outcomes they expect to achieve. Firms must also set out an escalation plan to be able to take action when assets do not demonstrate sufficient progress towards the sustainability objective and/or KPIs. Assets subject to such action remain within the 70% threshold.



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# The 'anti greenwash' rule

FCA Source - FG 24/3 p7

## Sustainability references should be:



**Correct** and **capable** of being substantiated



**Clear** and presented in a way that can be understood



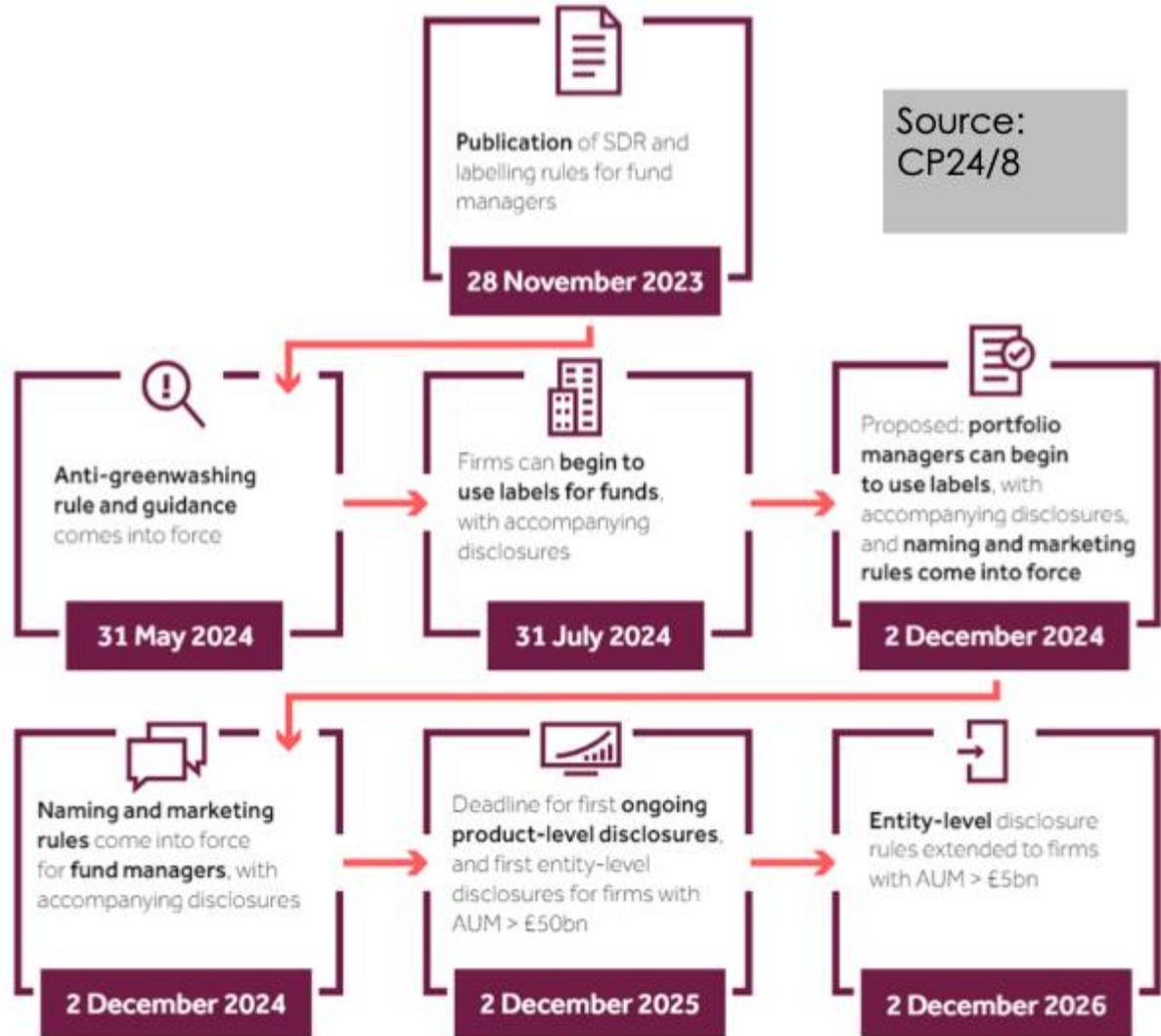
**Complete** – they should not omit or hide important information and should consider the full life cycle of the product or service



**Comparisons** to other products or services are **fair** and **meaningful**

## Known unknowns

- Speed of adoption of labels
- Extent of 'greenwash fright'
- Extending SDR to portfolios - timing
- Extending SDR to international funds - timing
- Adviser guidance content (ASG)
- Interaction between above



Asset Type ▼

Geographic Region ▼

Product Type ▼

SDR Labels ▲

- Sustainability Focus label (0)
- Sustainability Impact label (1)
- Sustainability Improver label (0)
- Sustainability Mixed Goals label (0)
- Intentionally unlabelled (in scope) (0)
- Working towards adopting label (73)
- Not eligible to use label (83)
- Other (9)

Fund information ▲

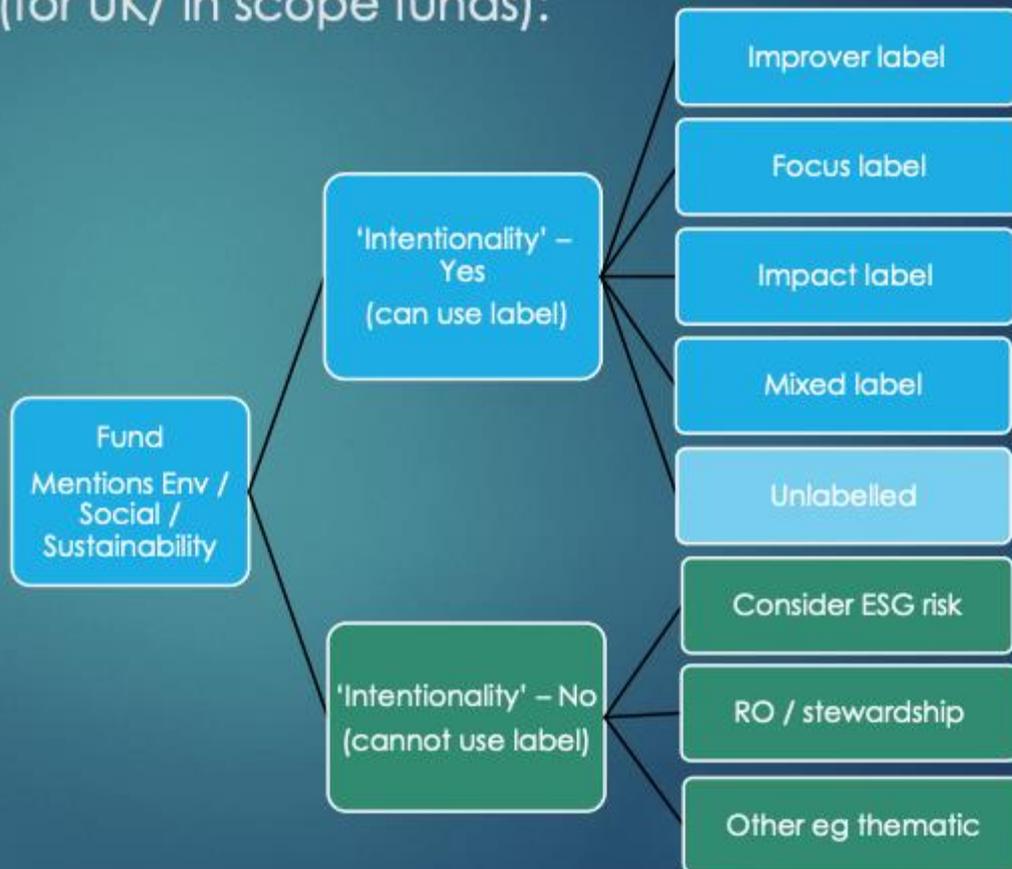
**SUSTAINABILITY & ENVIRONMENTAL**

Nature & Biodiversity ▼

Climate Change & Energy ▼

# What to expect

(for UK/ in scope funds):



# Adviser Sustainability Group

Industry led working group established by FCA (AKA the dream team!)

Working to shift the narrative...

**Objective 1: To develop voluntary good practice guidelines for when financial advisers are advising on the range of products that make claims about sustainability, taking account of the following:**

- What good practice looks like regarding ensuring clients' needs are met, whether by the adviser or others
- The knowledge an adviser needs to advise effectively on these topics, including understanding of documents or disclosures
- 'What good looks like' for advisers approaching conversations on sustainability with clients
- How advisers might consider investors' needs and preferences, which may include labelled and unlabelled products

**Objective 2: To develop recommendations on how training materials are developed in line with the good practice guidelines/materials developed under Objective 1, taking account of the following:**

- How to encourage consistency and high standards among industry participants without infringing upon diversity of approach

## Working Groups

- Sustainability 101
- Best Practice
- Regulatory Compliance
- Training & Education

Questionnaires:

[advisersustainability.sites.pimfa.uk/](https://advisersustainability.sites.pimfa.uk/)

# Where are we now?

## FCAs intended outcomes

(from Fig 1, PS23/16)

Address **greenwash** – to protect clients

Increased sustainability **information** – to protect markets

Consumers to use **labels** – to improve competition

## Our observed 'current status'

**Positive** / some market overshoot - highlighting compliance knowledge gaps

**Mixed** – structurally sound but fear of regulator is (excessively) impacting behaviours

**Negative** – right structure, poor implementation shows knowledge gap (probable cause of submissions too often regarded as 'disappointing')

## Need to work towards:

FCA to integrate sustainability, across retail rulebook. (Industry to upskill)

Reduce / refine (& relocate) granular pre contractual literature requirements. Guard against tedium, legalese & false/binary assurances.

FCA implementation teams to get closer to end clients (if do not understand/trust industry)

FCA to recognise the 'Acceptable <<< to >>> Amazing' spectrum enables client needs to be met, that nothing is perfect, and change is constant. Make better use of exclusions as a force for good.

Industry to capture processes in simple language – understand FCA remit & concerns.



# Why I remain hopeful & positive ...

## None of this is difficult to solve

- We know most clients (people) want 'change'
  - Client search consistently reflects 80/20 rule
  - Getting back to SDR purpose & principles should be easier than current interpretation
  - The hard stuff is international alignment, dealing with laggards and low/shifting corporate standards (that harm people, do not align to net zero etc) – running parallel
- The FCA and leading sustainable funds are natural allies
  - Clear alignment of mission and support for SDR (with tweaks)
  - All need to be careful not to 'shoot the messenger': sustainability is complex, dynamic and imperfect. Regulation is necessary. Effective communication to clients & delivering real world outcomes
  - Anti ESG / Anti Woke is time limited (given science, public concerns etc)

# Fund Manager Session 1: Exploring the new SDR regime and labelling process



Therese Niklasson  
*Global Head of Sustainable Investment*  
Newton Investment Management



Caroline Langley  
*Deputy Fund Manager, Climate Assets Funds*  
Quilter Cheviot Investment Management



David Harrison  
*Fund Manager, Rathbone Greenbank Global Sustainability Fund*  
Rathbones Asset Management



Seb Beloe  
*Partner and Head of Research*  
WHEB Asset Management

# Therese Niklasson

*Global Head of Sustainable Investment*  
Newton Investment Management



Therese is responsible for the strategic vision and delivery of sustainability across the wider investment platform at Newton. This includes working with the investment teams to ensure that ESG matters are fully integrated into the fundamental investment philosophy as well as continuous innovation around sustainability solutions.

Therese is responsible for the wider Responsible Investment (RI) team which supports the investment platform through work across areas including ESG research, stewardship and ESG data and technology. In her role, Therese is the Chair of the NIM NIMNA Sustainability Committee.

Therese started her career as an ESG Analyst to then joining Threadneedle Asset Management as Head of Governance and Responsible Investment in 2007. In 2011, Therese joined Ninety One (formerly Investec Asset Management) where she spent over a decade developing their sustainability investment platform.

Therese holds degrees from the London School of Economics and Oxford University in the field of Environmental Management and Policy.

As a native Swede, Therese enjoys the outdoors and spends as much free time as possible along the Scandinavian coastlines.

# Caroline Langley

*Deputy Fund Manager, Climate Assets Funds*  
Quilter Cheviot Investment Management



Caroline has nearly 20 years investment experience, most of which were gained at Quilter Cheviot where she has worked since 2006. She is the Deputy Fund Manager for the award-winning Climate Assets Funds.

She also manages private client portfolios, working with clients directly or alongside advisers. Her investment qualifications and experience have led her to be a Fellow of the Chartered Institute for Securities & Investment (CISI). As a Chartered Accountant (FCA) Caroline is also a Fellow of the ICAEW.

She read Human Sciences at St. Hilda's College, Oxford University graduating with a 2.1 before starting her accountancy training at PricewaterhouseCoopers. She also gained a Master's degree (distinction) in Environmental Technology from Imperial College specialising in Global Environmental Change and Policy.

## David Harrison

*Fund Manager, Rathbone Greenbank Global Sustainability Fund*  
Rathbones Asset Management

David is lead fund manager of the Rathbone Greenbank Global Sustainability Fund. David joined Rathbones in June 2014 after 14 years working in equity analysis and fund management, including time at Hermes and Goldman Sachs.

David is a Chartered Financial Analyst (CFA) charterholder and holds the Investment Management Certificate. He graduated with a BSc (Hons) in Economics and Politics from the University of Southampton.



# Seb Beloe

*Partner and Head of Research*  
WHEB Asset Management

Seb has spent nearly 30 years working at the nexus of business, investment, and sustainability. Since 2012, he's been Partner and Head of Research at WHEB, as well as a member of the senior management and impact investment teams.

Prior to WHEB, Seb was head of socially responsible investing (SRI) research at Henderson Global Investors. He also spent 10 years in senior roles, in both the UK and US, at SustainAbility a leading think-tank and consultancy.

Seb has contributed to the development of industry standards and regulations through participation in several expert and advisory committees including with the British Standards Institute, the GIIN, the Financial Conduct Authority and groups like the Future-Fit Foundation and the Big Exchange. He has two degrees in environmental science and environmental technology from the University of East Anglia and Imperial College London and is a Chartered Environmentalist.



# Agenda up to lunch

Click to visit [Fund EcoMarket Database](#):



11:30 – 11:50 - **Coffee break**

11:55 – 12:25 - **Fund Manager Session 2: Beyond the labels**

- Miranda Beacham – Aegon Asset Management
- Clare Wood – Stewart Investors
- Adam Robbins – Triodos Investment Management

12:30 – 13:15 - **MORNING KEYNOTE** – Sacha Sadan – FCA, Director of ESG

13:20 – 14:20 - **Lunch break**

13:35 – 14:05 - **‘Portfolio managers share responses to recent developments’**

- Paris Jordan - Charles Stanley
- Will Slater - King & Shaxson
- Ben Palmer - LGT Wealth Management
- Jade Coysh - Momentum Global Investment Management
- Daniel Babington - TAM Asset Management

# Fund Manager Session 2: Beyond the labels



Miranda Beacham  
*Head of UK Responsible  
Investment*  
Aegon Asset  
Management



Clare Wood  
*Portfolio Specialist*  
Stewart Investors



Adam Robbins  
*Head of Business  
Development*  
Triodos Investment  
Management

# Miranda Beacham

*Head of UK Responsible Investment*

Aegon Asset Management



Miranda is head of UK responsible investment. Her role involves overseeing the environmental, social and governance research process for ethical and sustainable funds as well as overseeing the stewardship activities, supporting the ESG integration processes and further research in ESG issues for investments across Aegon AM UK.

She leads engagement activities with public policy makers and investee companies on issues such as board structure, remuneration, environmental impact and social practice. She sits on the stewardship committee and chairs the remuneration and share schemes committees at the Investment Association in the UK. Miranda co-founded the UK responsible investment team in 2000. Miranda joined the industry and the firm in 1995.

# Clare Wood

*Portfolio Specialist*  
Stewart Investors

Clare Wood joined the team in March 2023 as a portfolio specialist. Previously she was Global Head of Product for First Sentier Investors and has experience in investment analysis, investment risk and portfolio management.

Clare has a BSc and a PhD in Mathematics both from the University of Sheffield.



# Adam Robbins

*Head of Business Development*

Triodos Investment Management

With over 20 years' experience in senior distribution and key account management roles, Adam took the decision to join an organisation that focussed on having a positive impact that enabled him to align his career with his personal values. Having joined Triodos IM almost 7 years ago Adam now heads the pan European sales team and is responsible for the distribution of both public and private strategies into the UK market across all channels, and therefore works closely with the portfolio managers and analysts.

Outside of work Adam enjoys spending time with his wife and daughter walking the countryside and exploring new cities both in the UK and abroad and tries to find time to cycle, run and play tennis.



Triodos  
Investment  
Management

# Morning Keynote

Sacha Sadan

*Director of ESG*

Financial Conduct  
Authority



# Sacha Sadan

*Director of ESG*

Financial Conduct Authority



Sacha Sadan is the Director of ESG at the FCA (Financial Conduct Authority). Facilitating the UK financial regulator to embed ESG across the wide spectrum of regulatory activities and reporting to the CEO.

He has been named a City Influencer by Financial News as one of the biggest 25 names who have been instrumental in shaping the UK's financial services industry, and has also recently been appointed an Honorary Professor at the Alliance Manchester Business School at The University of Manchester. Previously Sacha was Director of Investment Stewardship (10 years) and on the board at LGIM, one of the world's largest asset managers. Sacha had responsibility for investment stewardship, including environmental, social and governance (ESG).

He was recognised in the Financial Times as one of 'the 30 most influential people in the City of London'. Sacha was previously a UK equity portfolio manager at Gartmore. He was voted the top-rated Pan European fund manager in the Thomson Reuters Extel awards. He started his career at Universities Superannuation Scheme (USS) pension fund. Sacha is a Fellow of CFA, CGI and a founding member of the UK Investor Forum.

# ‘Portfolio managers share responses to recent developments’



CHARLES  
STANLEY



KING & SHAXSON  
Asset Management



LGT  
Wealth  
Management



momentum  
global investment management



tam  
asset management

Paris Jordan  
*Head of Responsible  
Investing*  
Charles Stanley

Will Slater  
*Business Development  
Manager*  
King & Shaxson

Ben Palmer  
*Lead Portfolio Manager*  
LGT Wealth  
Management

Jade Coysh  
*Responsible Investment  
Specialist & Senior Analyst*  
Momentum Global  
Investment  
Management

Daniel Babington  
*Portfolio Manager*  
TAM Asset  
Management

# Paris Jordan

*Head of Responsible Investing*

Charles Stanley



CHARLES  
STANLEY

Paris Jordan, CFA is the Head of Responsible Investing at Charles Stanley and the Co-Founder of Virtuvest: the responsible investor network. Paris previously worked at Waverton Investment Management where she led the third-party fund research and model management across discretionary and advisory clients.

Prior to this, she worked at Sanlam Investments managing over £2bn for retail and institutional investors, as well as developing Sanlam's Socially Responsible model portfolio range in 2016.

Paris is a member of the FCA's Advisers Sustainability Group, has been awarded Best Sustainable Investment Wealth Manager at the Sustainable Investment Awards 2023, Fund Selector of the Year 2021 at the Women in Investment Awards, and received a highly commended acknowledgement as an ESG Advocate in 2022. She has a BA Hons degree in Politics, Philosophy and Economics, a Sustainable Finance Leadership Certificate from Oxford University, is a CFA Charterholder and holds the CFA ESG Certificate.

# Will Slater

*Business Development Manager*

King & Shaxson

Will has over 30 years' experience in financial services, after graduating from Southampton University in 1988 in Biology, Will began his career at NPI working with financial planners in the North of England and then later taking on responsibility for managing the Leeds office.

Following spells with MLC which involved helping financial planners restructure their business models and then Investment Solutions where he worked with the trustees of occupational schemes, he then worked with Columbia Threadneedle for many years promoting the single strategy and multi-asset solutions. Working with King & Shaxson enables Will to focus his core investment values and beliefs.



# Ben Palmer

*Lead Portfolio Manager*  
LGT Wealth Management

Ben Palmer is Lead Portfolio Manager at LGT Wealth Management and responsible for the sustainable service offering designed for financial advisers, which includes the Sustainable Model Portfolio Service.

Prior to joining LGT, Ben was Head of Responsible Investment at Brooks Macdonald, where he launched and managed the firm's Responsible Investment Service.



# Jade Coysh

*Responsible Investment Specialist & Senior Analyst*  
Momentum Global Investment Management



Jade joined Momentum in 2023 as Responsible Investment Specialist & Senior Analyst within the investment team.

She provides ESG investment insights and support on sustainability across all asset classes. She contributes to the management team of the Harmony Sustainable portfolio, the Momentum Global Equity Fund, and Momentum's multi-asset portfolios run for the South African retail market.

Prior to joining, Jade worked at Quilter Cheviot, ABN Amro in Paris and Towers Watson, where she started her career in 2011. She achieved a first class (hons) degree in Accounting and Finance from the University of Brighton, has completed level one of the CFA qualifications and CISI Wealth Management diploma, and holds both the IMC qualification and CFA certificate in ESG investing.

# Daniel Babington

*Portfolio Manager*

TAM Asset Management



Dan is a Portfolio Manager at TAM Asset Management, specialising in sustainability focused investing. Dan was shortlisted as Sustainable Investment Champion of the Year & Best Sustainable Fund Selector of the Year at the 2024 Sustainable Investment Awards and included in Citywire's Top 30 under 30.

Prior to TAM, Dan's career started after completing a degree in Economics at the University of East Anglia. He then worked as a research analyst at an independent IFA, where he met end-clients and developed solutions to £100m worth of client assets. This is where Dan started his journey in both fund research and sustainability focused investing. Since then, Dan has progressed to a portfolio Manager where he manages £65 million of sustainability focused client assets as well as leading TAM's stewardship and engagement work, notably raising awareness on mental health and nutrition. Recently, he led the process of TAM becoming the first DFM to sign up to CCLA's AdviserAction initiative while developing TAM's Sustainability hub with his own blog where he works to educate clients and advisers on the industry's role in driving real world change. He holds the IMC and the CFA ESG qualifications.

# Afternoon agenda

Click to visit Fund EcoMarket Database:



14:20 – 14:30 - **Welcome back**

14:30 – 14:55 - **GUEST SPEAKER** – Mike Clark, Founder & Director – Ario Advisory

14:55 – 15:20 - **Fund Manager Session 3: Leading change**

- Duncan Downes – Pictet Asset Management
- George Crowdy – Royal London Asset Management
- Jeneiv Shah – Sarasin & Partners

15:25 -16:05 - **Fund Manager Session 4: Articulating sustainability with confidence**

- Clémence Chatelin – CCLA Investment Management
- Matthew Jennings – Fidelity International
- David Nicholsby – Greenbank
- My-Linh Ngo – RBC BlueBay Asset Management

16:05 – 16:25 - **Coffee break**

# Welcome Back

Julia Dreblow  
*Founder & CEO*

SRI Services & Fund  
EcoMarket





## Heads (1<sup>st</sup>) and Tails (2<sup>nd</sup>)

- Most people agree SDR has helped clarify the difference between ESG & Sustainability **True or false**
- How many SDR labels are there? **3 or 4?**
- Are global greenhouse gas emissions currently going **up or down?**
- At COP 15 - nations agreed to protect what proportion of the world's oceans by 2030? **30% or 8%**
- Only funds named 'Sustainable, Sustainability or Impact' can qualify for SDR labels? **true or false**
- TCFD/ ISSB aims to standardise sustainability reporting – **true or false**
- Advisers will forced to have a degree level knowledge of sustainability - **true or false**
- How many E&S proposals did Vanguard support this voting season, of 293 (FT)? **Zero or 20**
- Who said 'We do not inherit the earth from our ancestors, we borrow it from our children' **Mahatma Gandhi or Native American proverb**
- How many E&S proposals did Blackrock support this voting season, of 293 (FT)? **Zero or 20**
- How many deaths pa does the WHO predict climate change will cause by 2030? **250,000 or 2 million**
- According to the FT, did Shell **weaken or strengthen** its climate targets in 2024?
- Should you talk to Seb Elwell about 'sustainable financial planning'? **yes or no**

# Guest Speaker

Mike Clark

*Founder & Director*

*Ario Advisory*



# HOW ARE YOU ADVISING YOUR CLIENTS ON THE FINANCIAL RISKS OF CLIMATE CHANGE?

*A few things coming your way, some  
sooner than later*

For Investment Professionals only

Mike Clark, Founder Director, Ario Advisory

*3<sup>rd</sup> October 2024*

# Imagine you are a fiduciary of this pension plan...and also a climate scientist...

Annualised Climate Change Impact on Portfolio Returns – to 5, 15 and 40 Years<sup>4</sup>

Scenario	Timeline (years)	Current Asset Allocation <sup>5</sup>	Target Asset Allocation <sup>6</sup>
1.5°C	5	-1.7%	-1.5%
	15	-0.5%	-0.4%
	40	-0.2%	-0.2%
1.6°C	5	-0.2%	-0.1%
	15	0.0%	0.0%
	40	0.0%	0.0%
4°C	5	0.2%	0.1%
	15	-0.7%	-0.6%
	40	-1.1%	-1.0%

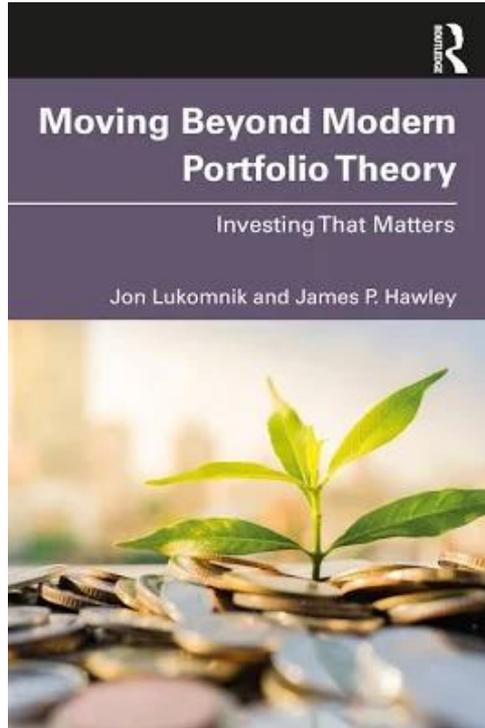
Source: a UK pension scheme

## Quick Question

Do you think your investment advice to address climate change should be:

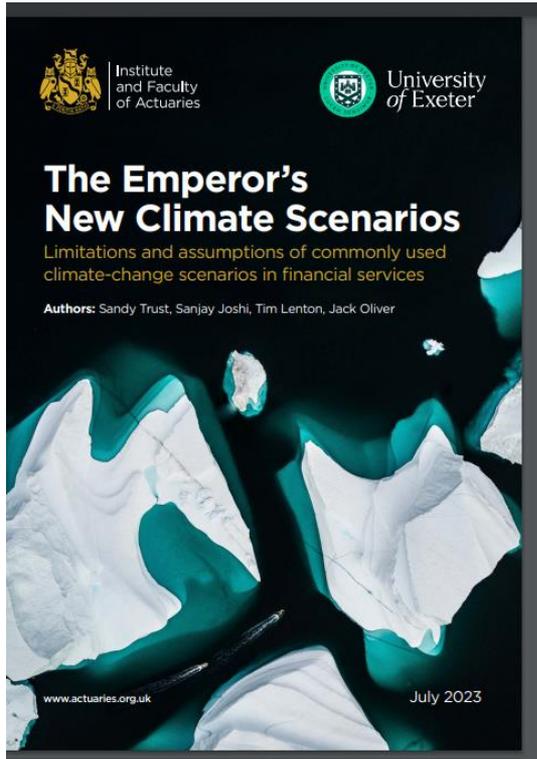
1. portfolio decarbonisation
2. real world decarbonisation
3. risk/opportunity management for resilience/return?

# The real world, exposing MPT's limitations



- Sustainable finance's two main purposes: “providing adequate risk adjusted returns to investors and directing capital to where it is needed in the economy”
- Risk is specified as volatility in market prices, yet *Modern Portfolio Theory has no interest in the real world source of that volatility, that risk*

# The Emperor's New Climate Scenarios



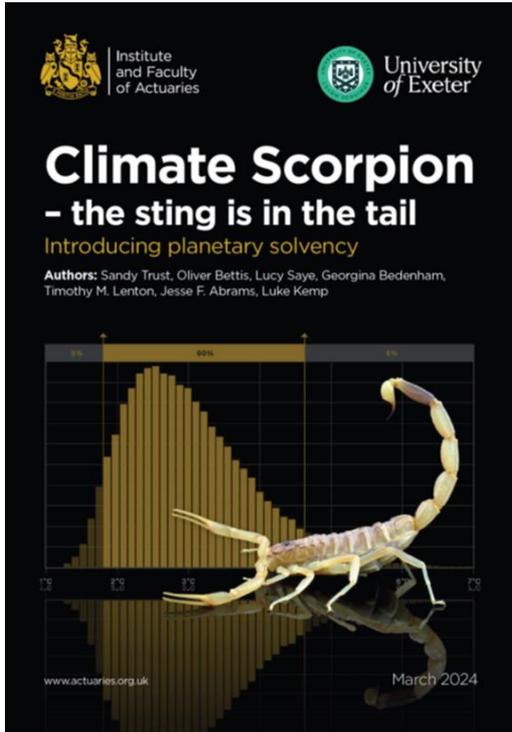
- Many of the models used to predict economic damages for the hot house world **are too benign**
- We may have **seriously underestimated** rate at which earth is warming
- Carbon budgets could be **much smaller than we think**

# Loading the DICE against pension funds



- Following some investment consultants' advice, pension funds have informed members that **global warming of 2-4.3°C will have only minimal impact on their portfolios**
- **Huge disconnect between what scientists expect** and what pensioners/investors/ financial systems are prepared for
- Wealth-damaging correction, **Minsky Moment, cannot be ruled out, and is virtually inevitable**

# Does the world need a Chief Risk Officer?



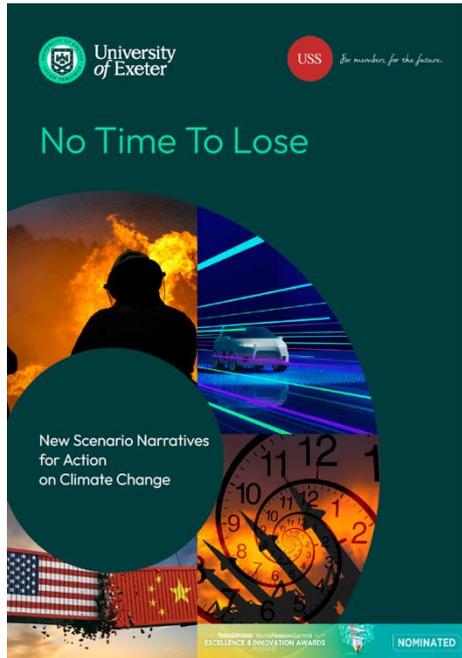
Apply actuarial principles to the risks of climate change.

## *Recommendations:*

1. Carry out a **realistic risk assessment** of climate change as a matter of urgency, and act on it
2. Educate and take action on **positive tipping points** in the economic system
3. Develop a **Planetary Solvency** framework to support human prosperity, now and in the future

# Narrative scenarios at USS

*We ALL invest in the real world*

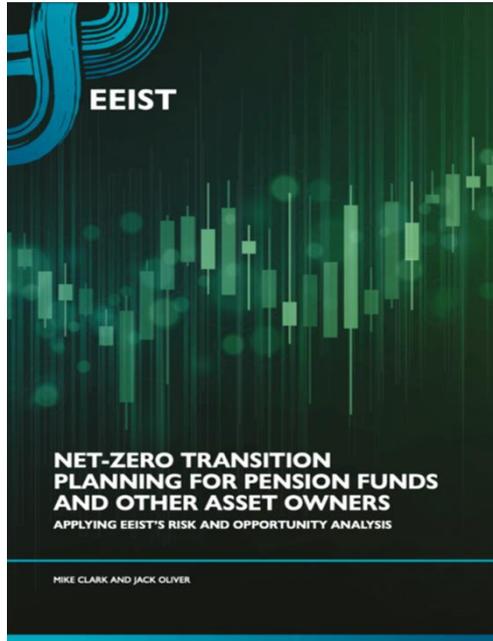


***“We aim to lead in the development of this new approach that is less focused on precise estimation and more on understanding how real-world dynamics could play out in a complex world where climate risks cannot be looked at in isolation from political, economic, and technological factors.”***

**Mirko Cardinale, USS**

# Transition Planning for Pension Funds

*Commissioned by UK Government*



- EEIST's Risk and Opportunity Analysis (ROA)
- The Role of Scenario Analysis
- Official Climate Scenarios
- The Importance of Challenging Typical Assumptions
- Developing “Decision-Useful” Climate Scenarios

# Guiding Principles

*Shifting the paradigm for decision making*

TRADITIONAL PRINCIPLES	TRANSITION PRINCIPLES
Backward-looking	Forward-looking
Official scenarios	Bespoke scenarios
Risk	VUCA
Climate in isolation	Climate “systems thinking”
Linear	Non-linear
Trends	Shocks
Optimisation	Adaptive
Numbers	Narratives
Caution	Opportunity
Market	Peers

## Research (1)

- Climate risks insufficiently reflected in stock prices
- Differences in mental models and beliefs are important
  - *Bauer et al, Mental Models in Financial Markets*
- Survey respondents at least 20 times more likely to believe that climate risk is currently being underestimated by asset markets as opposed to overestimated.
  - *Stroebe & Wurgler, What do you think about climate finance?*

## Research (2)

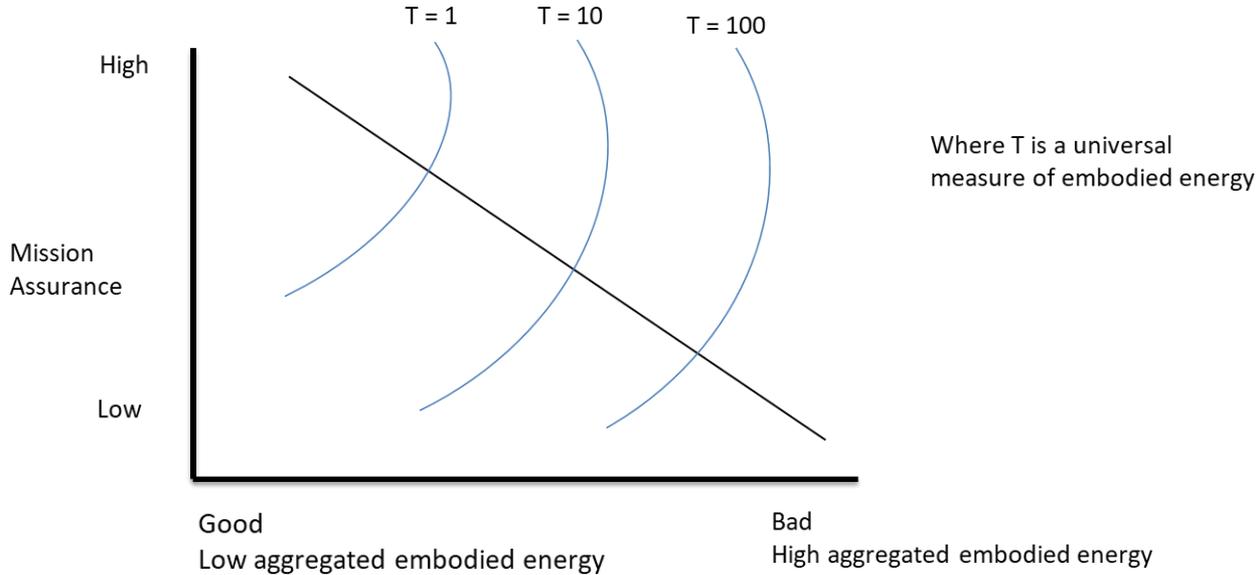
- Investors care about climate change risks only when policymakers intervene
  - *Faccini et al, Dissecting climate risks*
- Aggregate nature of climate risks limits availability of risk sharing arrangements and hedging instruments
- High degree of uncertainty heightens modeling and measurement challenges
  - *Eren et al, Pricing of climate risks in financial markets*

## Research (3)

- Bad news hoarding within company can increase stock price crash risk
- Heterogenous investor beliefs and short-selling constraints prevent negative sentiment being reflected in stock prices, increasing likelihood and potential size of stock price crashes
  - *Ozkan & Yildiz, Climate-related risks and stock price crashes*
- If price adjustments prove to be gradual, this will create a long term drag on portfolio returns. But there are precedents for much more sudden price adjustments. If these do occur, additional price volatility and loss of liquidity can also be expected.
  - *Rebonato, Asleep at the wheel?*

# The joule is mightier than the dollar (or GBP)

## *Mission assurance vs embodied energy*



'Thermodynamic Ruler (joules)  
 Thermodynamics deals with the relationships between all forms of energy

**ARIO** 

# Mike Clark

*Founder & Director*  
Ario Advisory



Mike founded Ario Advisory, a responsible investment advisory firm, five years ago. An actuary, and “his own IFA”, his background is investment management, insurance, governance and risk.

He recently stood down as a NED from the board of Brunel (LGPS), and has served five years (also just ended) on the WHEB Asset Management independent Advisory Committee.

He works with asset owners, policymakers and regulators, and other investment actors, with a focus on the financial risks of climate change. He looks to increase the influence of parliamentary Select Committees on climate issues. He authored the IFoA (actuaries) curated reading list on climate risk.

# Fund Manager Session 3: Leading Change

Don't ignore the improvers



**Duncan Downes**

*Senior Engagement Specialist, Pictet Positive Change*

**Pictet Asset Management**

Innovation in weight loss drugs



**George Crowdy**

*Sustainable Fund Manager*

**Royal London Asset Management**

Making plastic circular



**Jeneiv Shah**

*Portfolio Manager, Global Equities*

**Sarasin & Partners**

# Duncan Downes

*Senior Engagement Specialist, Pictet Positive Change*  
Pictet Asset Management

Duncan Downes joined Pictet Asset Management in July 2021 as a Senior Engagement Specialist and Client Portfolio Manager in our Specialist Equities team.

Duncan started his career on the European Equity Sales desk at Citi in London in 2006 before moving to Geneva in 2011. He moved to Barclays in 2013 to do US equity sales before joining Berenberg in 2018. At Berenberg, he led global equity sales into asset managers, private banks, pension funds and hedge funds based in Geneva, generating investment ideas, organising corporate roadshows and selling Berenberg's macro and single stock equity research. Duncan has a masters degree in Economics and Management from New College, Oxford University.



# George Crowdy

*Sustainable Fund Manager*

Royal London Asset Management

George joined Royal London Asset Management in February 2020 as a Fund Manager on the Sustainable Investment Team and is co-managing the Global Sustainable Equity and Sustainable Growth Funds and Sustainable Leaders, World and Diversified trusts alongside Mike and Sebastien.

Prior to this, George worked as an Investment Manager on the Global Sustainable Equity Team at Janus Henderson having joined Janus Henderson in 2010 as a graduate. George is a CFA Charterholder and has a BSc Economics and Finance from the University of Southampton.



# Jeneiv Shah

*Portfolio Manager, Global Equities*

Sarasin & Partners



Jeneiv is Co-Portfolio Manager for Sarasin & Partners Food and Agriculture Opportunities. He is also an equity analyst covering Global Food and Agriculture.

Jeneiv joined Sarasin and Partners in 2017. Prior to this, he worked at T Rowe Price as an international equity analyst for seven years. Jeneiv began his investment career in 2008 at Mirae Asset Global Investment as an emerging market analyst.

Jeneiv has a BSc Hons Mathematics from University of Warwick and is a Chartered Financial Analyst (CFA).

# Fund Manager Session 4: Articulating sustainability with confidence



Clémence Chatelin  
*ESG Integration Manager*  
CCLA Investment  
Management



Matthew Jennings  
*Investment Director,  
Sustainable Investing*  
Fidelity International



David Nicholsby  
*Investment Director*  
Greenbank



My-Linh Ngo  
*Senior Director & Impact-  
Aligned Strategist* RBC  
BlueBay Asset  
Management

# Clémence Chatelin

*ESG Integration Manager*

CCLA Investment Management



As CCLA's ESG Integration Manager she is responsible for the development of tools and approaches that enhance ESG integration in the investment process. She also leads engagement with Banks on climate change.

Clémence is an award winning Chartered Financial Planner who joined CCLA in 2022. In her previous role she was the head of sustainability at Paradigm Norton where, in addition to advising clients, she built sustainable central investment propositions and bespoke fund portfolios for clients. She was also on Paradigm Norton's BCorp committee and actively involved in its accreditation.

Clémence has a bachelor's degree in International Management (China) from SOAS and a Masters in Finance & Investments from Bristol University.

Clémence is the vice chair of the investment committee and director at Bristol's St Mary Redcliffe Church Lands Charity.

# Matthew Jennings

*Investment Director, Sustainable Investing*  
Fidelity International

Matthew Jennings is Investment Director for Sustainable Investing, working on the development of Fidelity's sustainable investing capabilities and sustainability integration across Fidelity's investment process. He is also Portfolio Adviser on Fidelity's Sustainable US Equity strategy.

Matthew has 15 years of investment experience, and joined Fidelity in 2011. Over this time, he has worked on a range of contrarian equity strategies, and helped to launch Fidelity's sustainable fund range in 2019. He is a CFA Charterholder, has completed the CFA Certificate in ESG Investing and Cambridge Institute for Sustainable Leadership course.



# David Nicholsby

*Investment Director*  
Greenbank

David is an investment director at Greenbank managing discretionary portfolios on behalf of private clients. He has 14 years' experience in financial services, starting his career in financial planning before moving to asset management as an investment analyst.

David joined Greenbank in January 2020 a decade after graduating from the University of Manchester with a degree in Economics. He sits on Greenbank's stock selection and portfolio construction committees which are responsible for deciding Greenbank's asset allocation and recommended security lists.

Greenbank



# My-Linh Ngo

*Senior Director & Impact-Aligned Strategist*  
RBC BlueBay Asset Management

My-Linh is Senior Director & Impact-Aligned Strategist in the Responsible Investment (RI) team at RBC Global Asset Management (RBC GAM), with lead responsibility for ESG integration and stewardship across the firm's global fixed income assets, including BlueBay fixed income.

She is also a sustainability strategist for the impact-aligned bond strategy managed on the BlueBay fixed income investment platform. My-Linh represents RBC GAM and RBC BlueBay (RBC GAM's business outside North America) externally in a range of committees and working groups focused on driving RI best practice in the fixed income asset class. She has over two decades of experience working in the RI industry, joining BlueBay Asset Management (which is now part of RBC GAM) in 2014. Prior to this, My-Linh was at Schrodgers Investment Management Ltd as an ESG Analyst, and at Henderson Global Investors as an Associate Director – SRI Research.



# Afternoon Agenda

Click to visit Fund EcoMarket Database:



16:05 – 16:25 - **Coffee break**

16:25 – 16:50 - **Fund Manager Session 5: Leading change**

- Stephanie Williams – Schroders
- Ben Constable-Maxwell – M&G Investments
- Mike Appleby – Liontrust Asset Management

16:50 – 17:15 - **AFTERNOON KEYNOTE** – Mark Campanale – Founder & Director, Carbon Tracker Initiative

17:15 – 17:30 - **Close** – Julia Dreblow, Founder & CEO – SRI Services & Fund EcoMarket

17:30 – 20:30 - **Drinks reception & canapes**

# Fund Manager Session 5: Leading Change

Beyond climate: the critical role of nature in investment decisions



Stephanie Williams  
*Sustainable Investment Analyst*  
Schroders

Impact accounting as a tool to transform finance



Ben Constable - Maxwell  
*Head of Impact Strategy*  
M&G Investments

The pace of change & its influence on: sustainability, engagement, the size of the investable universe



Mike Appleby  
*Investment Manager, Sustainable Future Funds*  
Liontrust Asset Management

# Stephanie Williams

*Sustainable Investment Analyst*  
Schroders



Schroders

Stephanie Williams joined Schroders as a Sustainable Investment Analyst in November 2021. She is responsible for research and strategy within the theme of Natural Capital and Biodiversity, including topics such as deforestation and water.

Stephanie previously covered the theme of human rights within the same team at Schroders. Before that, Stephanie worked at Future-Fit Foundation, a not-for-profit organisation that creates resources for corporates and investors to guide sustainability strategy in line with planetary boundaries and social floors.

Stephanie holds a BA in Geography from the University of Oxford. She has the CFA Certificate in ESG investing.

# Ben Constable-Maxwell

*Head of Impact Strategy*

M&G Investments



Ben joined M&G Investments in 2003 and is now Head of Impact Strategy, leading the firm's impact investment strategy as well as covering sustainability issues such as climate change, circular economy and Impact Measurement.

Ben co-founded M&G's Equity Impact team and is the Impact Lead on the team's funds including the M&G Positive Impact and Climate Solutions Funds.

He has played a central role in the development of sustainable investment at M&G and has supported the growth of Sustainable and Impact solutions for clients across asset classes.

Ben plays an active industry role as a member of impact-oriented initiatives such as the GIIN Listed Equities Impact working group, the GIIN Acceleration Leadership Committee, UK Climate Finance Accelerator's Steering Group and the PRI Circular Economy Reference Group.

Previous to M&G, Ben spent four years with the Equities team at Invesco Perpetual. He has an honours Degree in Classics from the University of Newcastle-upon-Tyne and a Certificate in Impact Measurement from the Said Business School at Oxford University.

# Mike Appleby

*Investment Manager, Sustainable Future Funds*

Liontrust Asset Management



Mike Appleby is an Investment Manager on the Liontrust Sustainable Investment team, with responsibility for the generation and integration of SRI research into the funds and portfolios. Mike joined Liontrust in April 2017 as part of the acquisition of Alliance Trust Investments (ATI).

Having started his career in the investment industry in 1992, Mike joined Aviva Investors in 2004 as a Research Analyst. He was a Fund Manager from 2006 to 2010 and was then appointed as Head of SRI Thematic Research. Previously, he attained an MSc in Environmental Management at Imperial College, London. Prior to that, he was an Investment Analyst at TASS Management.

Mike started his career on Lehman Brothers' trading desk and holds a BSc (Hons) in Biological Sciences from the University of Edinburgh and the CFA Society of the UK Investment Management Certificate (IMC).

# Afternoon Keynote

Mark Campanale  
*Founder & Director*

Carbon Tracker Initiative



# Mark Campanale

*Founder & Director*

Carbon Tracker Initiative



Mark is the founder of the Carbon Tracker Initiative, a non-profit financial think tank with offices in the US and UK, best known for its work on 'stranded assets' the 'carbon bubble' and the impact of the clean energy revolution on the fossil based energy system. It's analysis is used by the fossil fuel investors & regulators in setting decarbonisation pathways and regulatory frameworks to smooth the transition. Mark also founded Planet Tracker, focused on nature and biodiversity through the lens of financial markets.

Prior to forming Carbon Tracker, Mark spent twenty years in fund management where he was a co-founder of some of the first responsible investment funds at Jupiter Asset Management, NPI, AMP Capital, and Henderson Global Investors. Mark has served on the World Business Council for Sustainable Development working group on capital markets leading up to the 1992 Earth Summit; was a Member of the Steering Committee of UNEP Financial Sector Initiative (1999-2003); founder of the UK Sustainable and Responsible Investment Forum (UKSIF), 1990-2006; and is now on the Advisory Board of GFANZ, the Glasgow Finance Alliance for Net Zero. He is a member of the advisory council of the Gordon & Betty Moore Foundation's Conservation & Markets Initiative; ESG advisory board of Glenmede Wealth Management and an Advisor to Faith Invest. He is a Visiting Lecturer at the University of Cambridge's sustainable finance programme. In 2021 he was winner of the CEREs/Trillium Capital Lifetime Achievement Award on Sustainable Finance and was made both an Ashoka Fellow and Sorenson Impact Fellow in 2022.

Mark has a BA in Politics & Economic History and an M.Sc in Agricultural Economics.

# How the clean energy revolution is disrupting everything

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Mark Campanale, Founder & Director, Carbon Tracker

SRI Services Conference

3rd October 2024

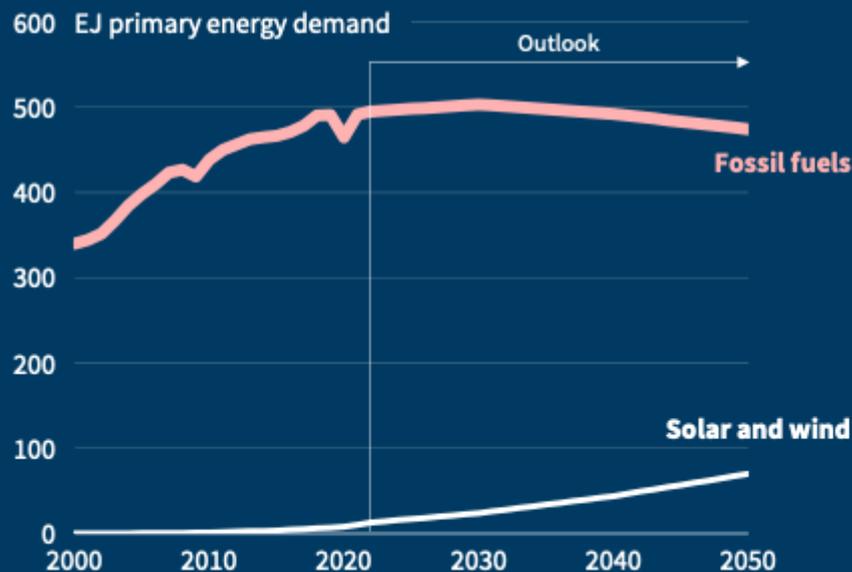




# The two visions of the energy future

The **old commodities** narrative of business-as-usual: reducing fossil fuel demand will be slow, expensive, and painful

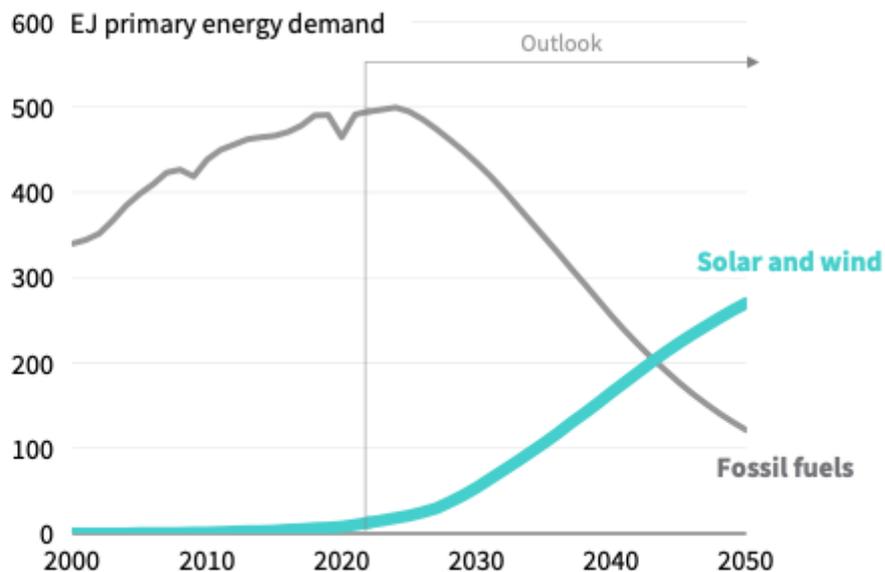
## The old guard's energy outlook



Source: Exxon Mobil Global Outlook 2023.

The **new technology** narrative of exponential and beneficial change: a shift to a cheaper, faster, and distributed energy system

## The new technology insurgent's energy outlook



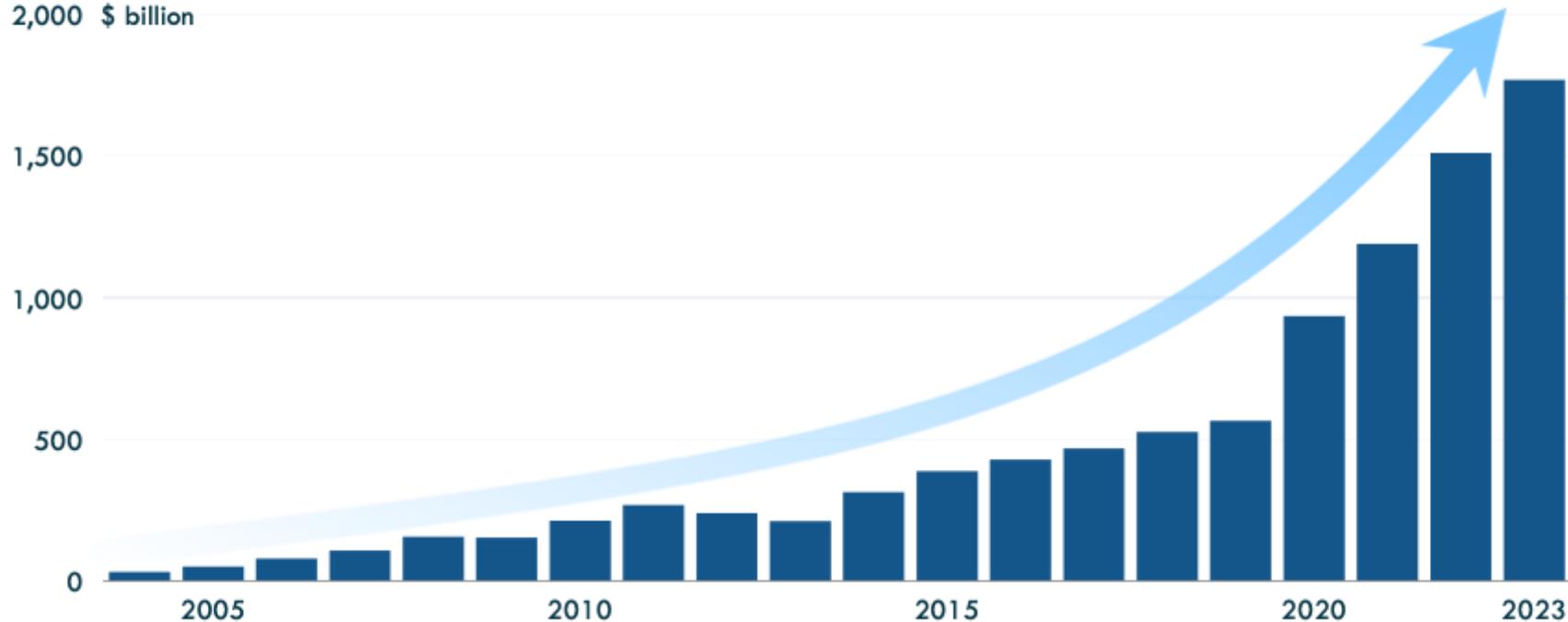
Source: Rystad Energy 1.6°C Scenario.

# Capital has poured into cleantech

•The first cleantech trillion took decades; the second trillion will happen in four years

## Cleantech investment

2,000 \$ billion

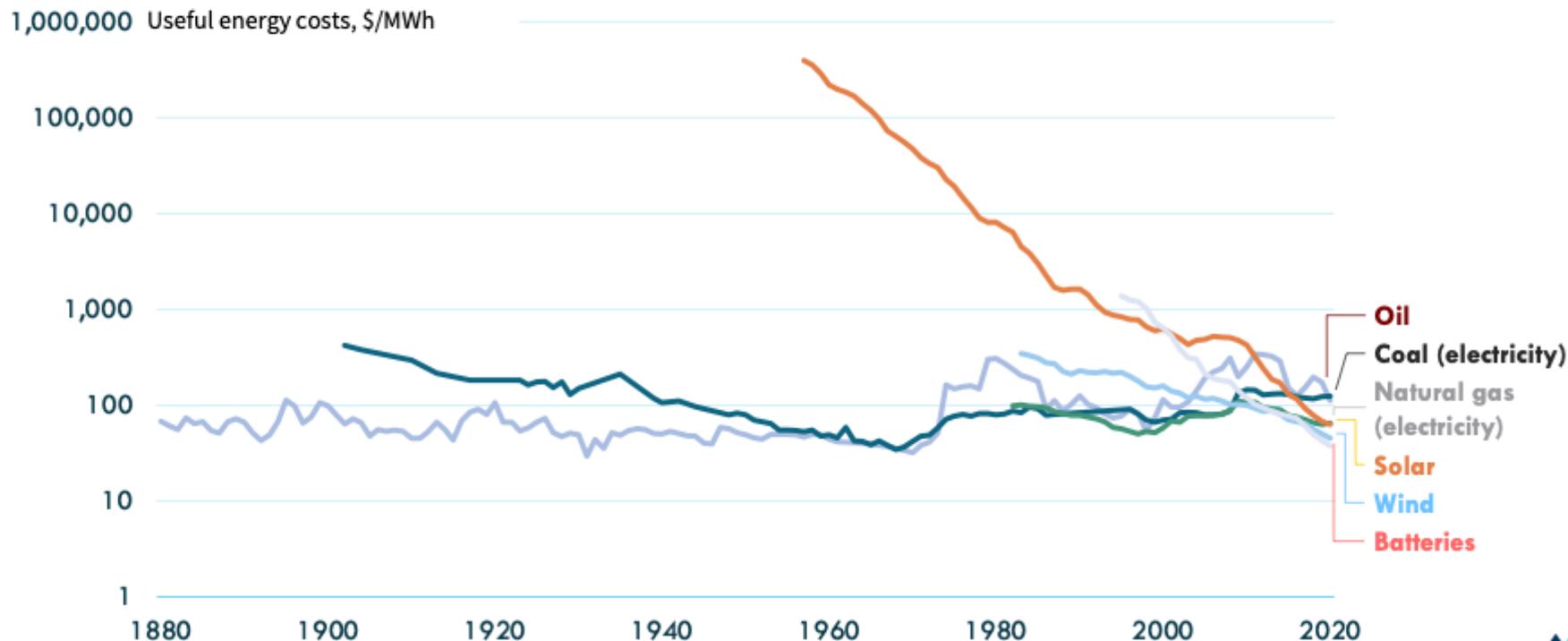


• Source: BNEF.

# Technologies beat commodities on costs

Manufactured technologies (e.g., solar and wind) enjoy cost learning curves; (fossil) commodities don't

## Historical costs of energy sources

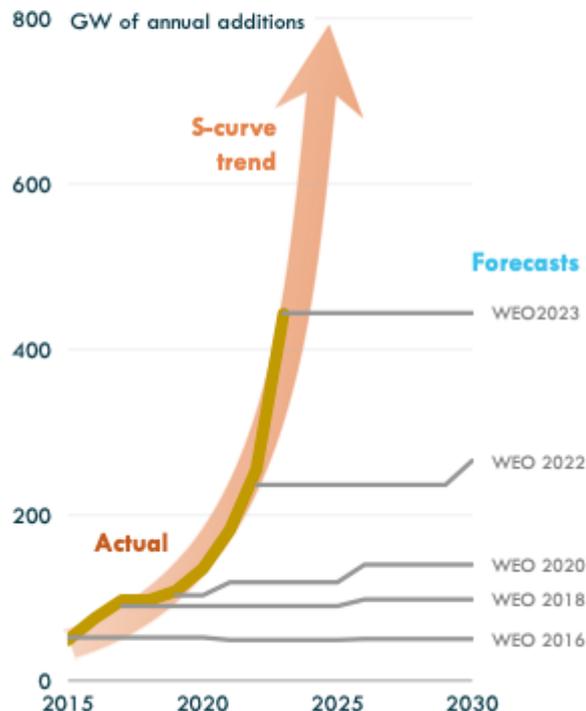


\* Source: Way et al. 2022. Individual fossil fuel technologies of course do have learning curves; but because of depletion and cartels, fossil fuel prices have not shown structural decline over time.

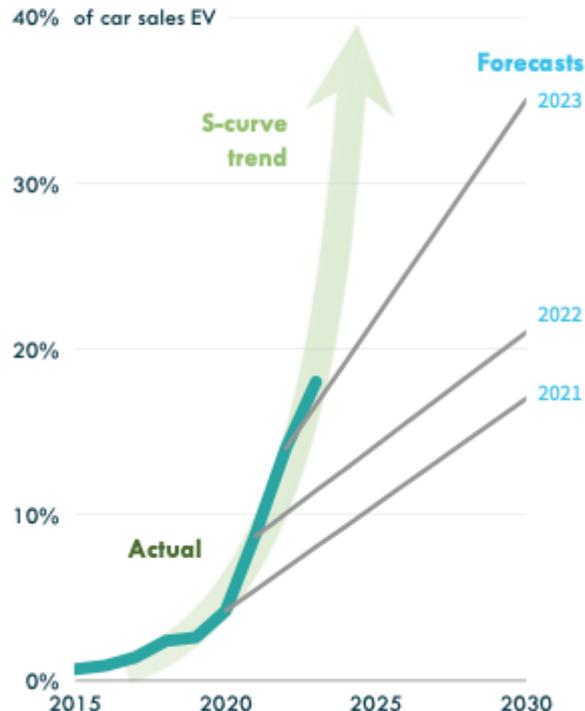
# Incumbents have underestimated the speed of change

Even neutral actors modeled in **linear** terms. But change has been exponential

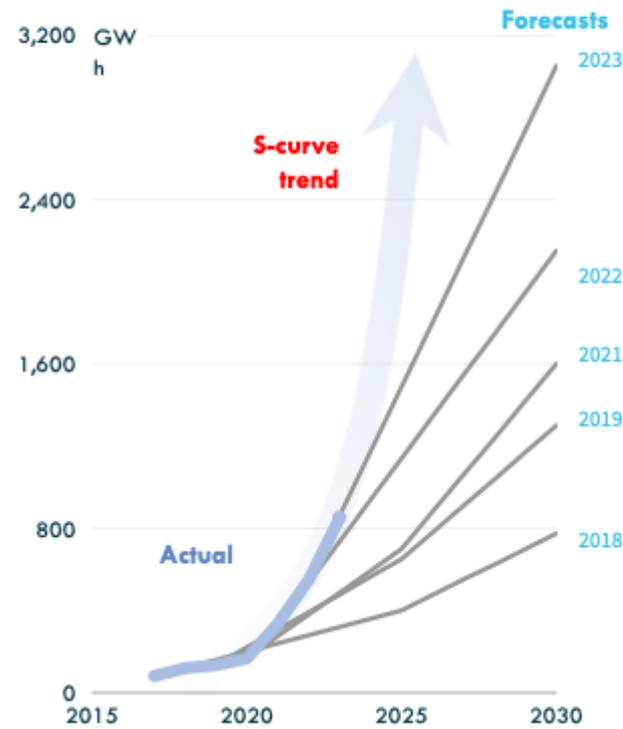
## New solar additions



## EV share of sales



## Battery sales



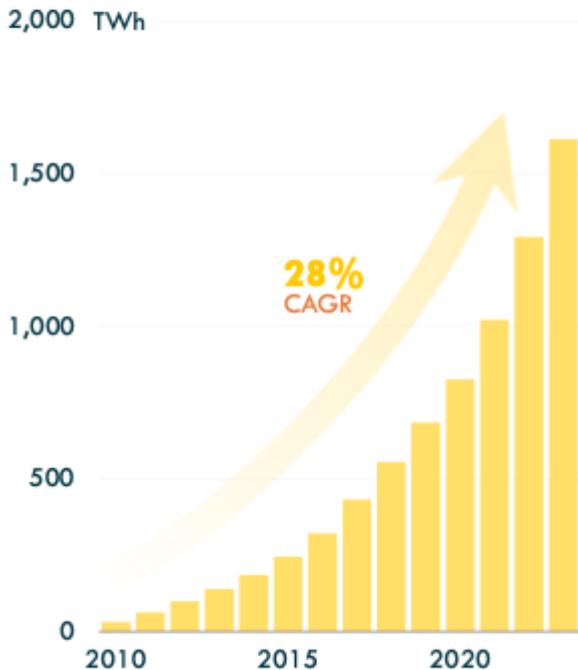
# Leading to exponential growth in renewables

Global solar generation has been doubling every 2–3 years, and battery storage capacity every year

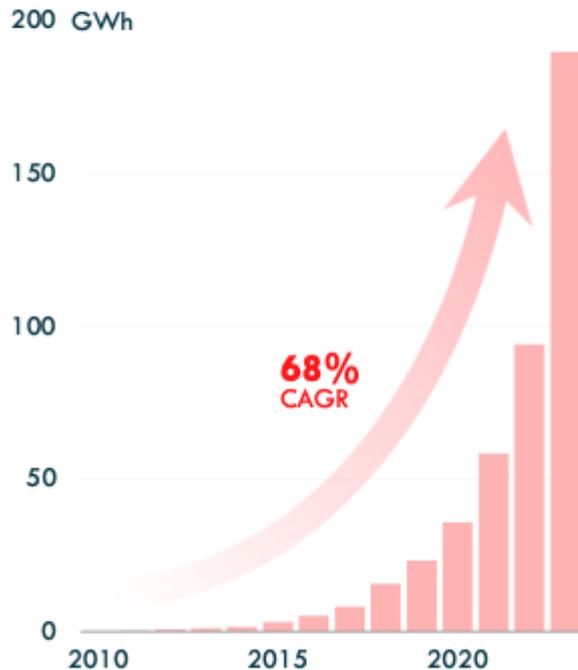
## Wind generation



## Solar generation



## Battery storage

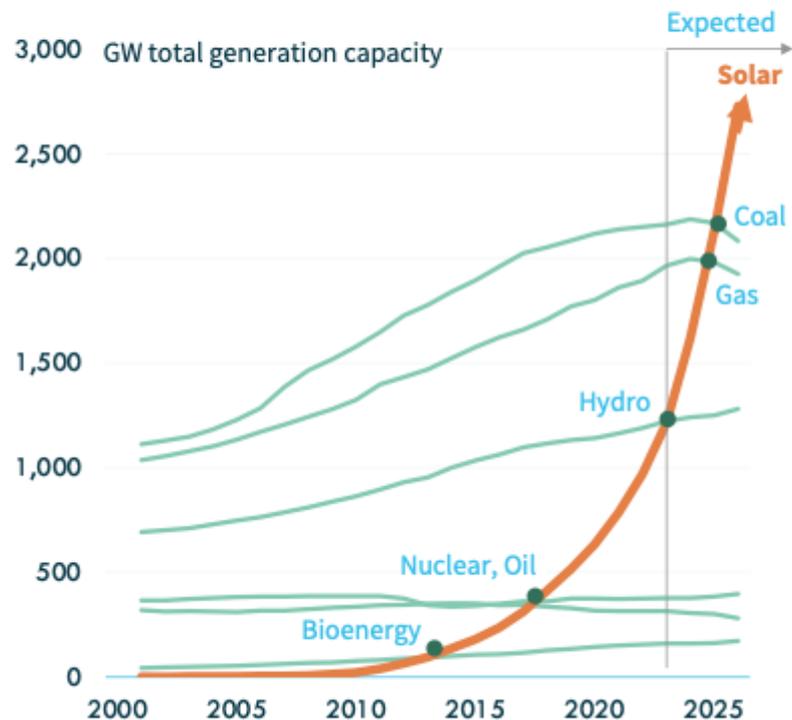


\* Source: IEA, BNEF; Note: CAGR is the compound annual growth rate between 2013 and 2023.

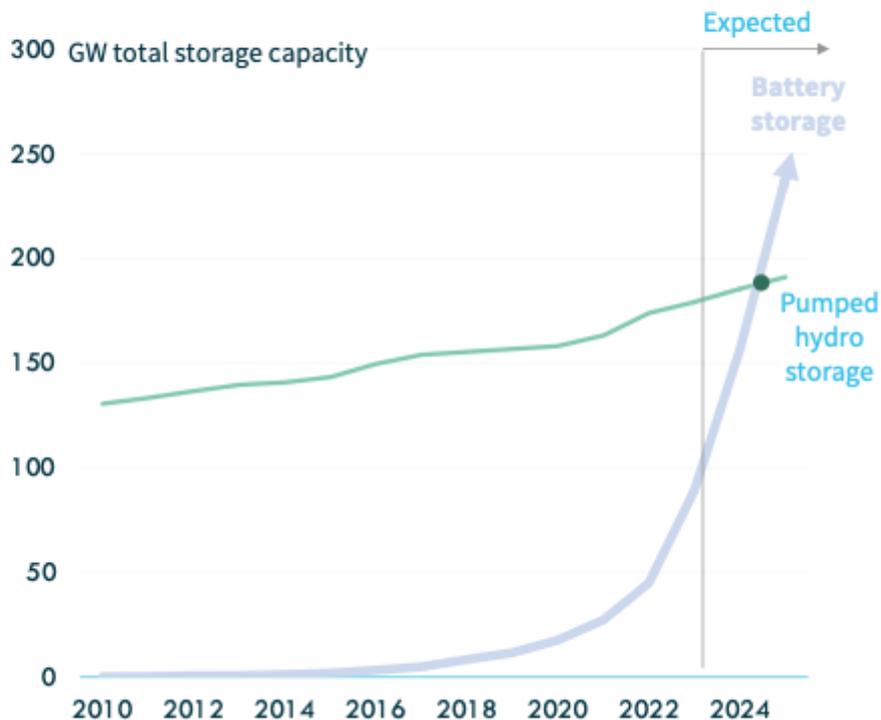
# Solar and batteries are taking over

Solar will shortly overtake every other type of capacity, and battery storage will leapfrog pumped hydro

## Solar



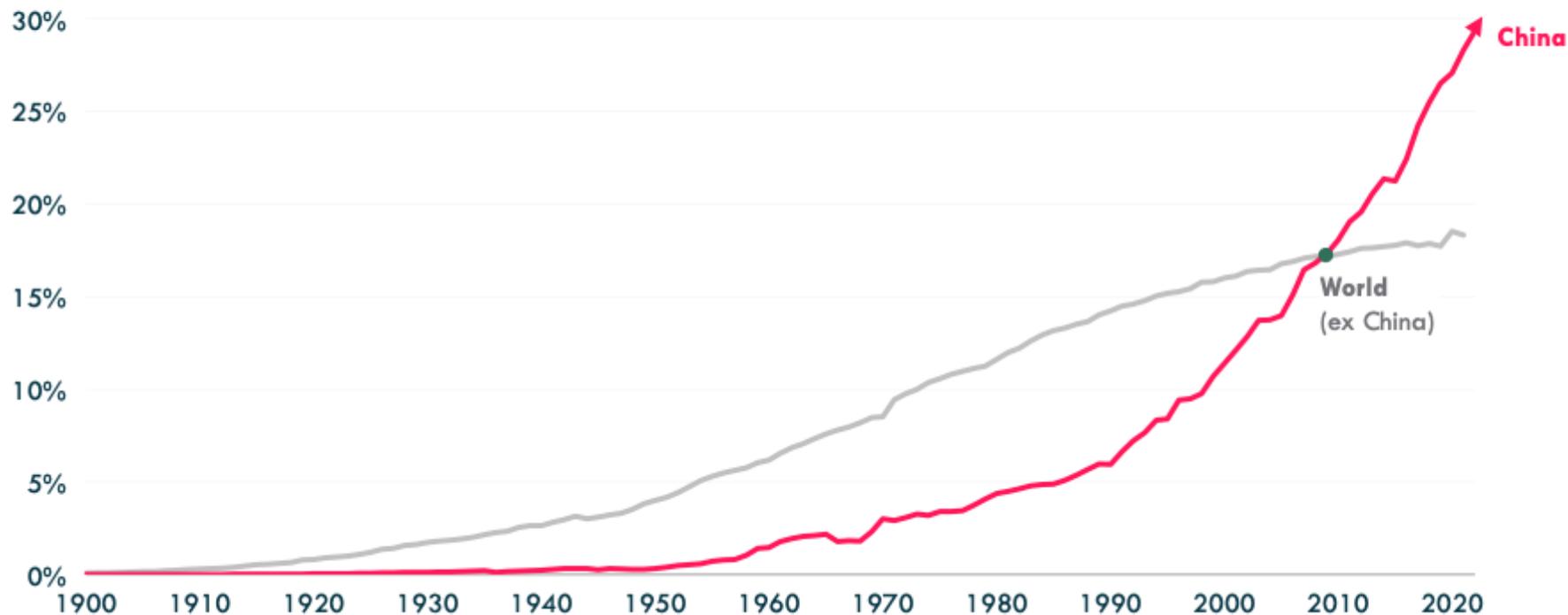
## Batteries



# China has become the first major electrostate

China has been electrifying at 10 percentage points per decade, nine times faster than the rest of the world

## Electricity share of final energy



Notes: IIASA data to 1971, IEA onward.

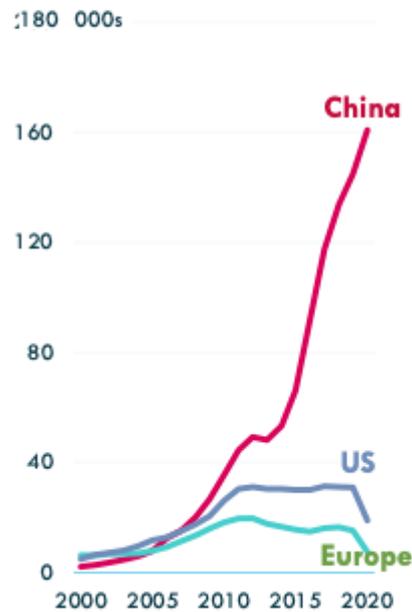
\* Source: IIASA, IEA WEB. WEB defines final energy slightly differently than WEO.

# The world's largest energy consumer is moving fast

China is leading the way to patent, make, and deploy the energy technologies of the future

## Patent

### Clean energy patents



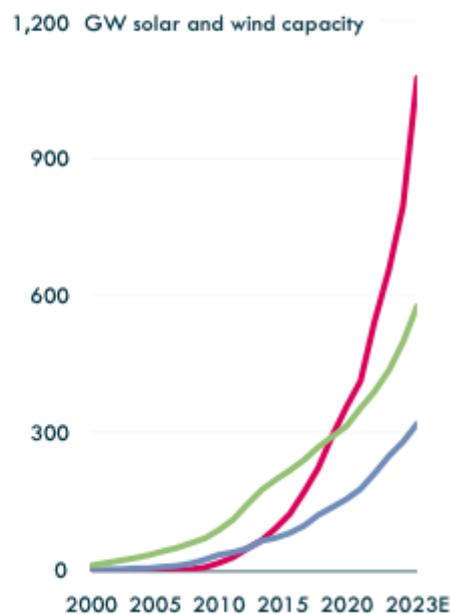
## Make

### Battery manufacturing capacity

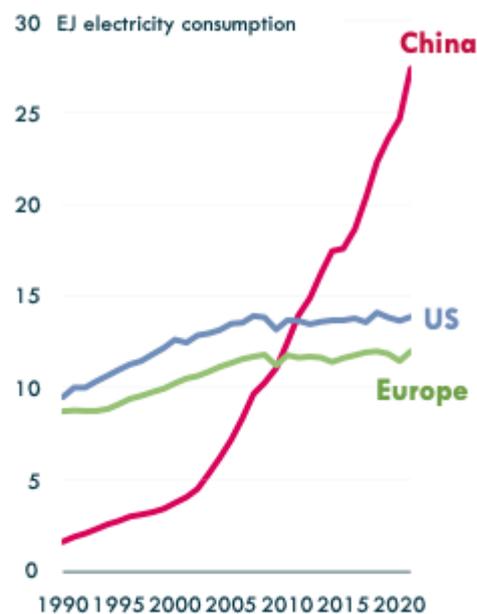


## Deploy

### Renewables

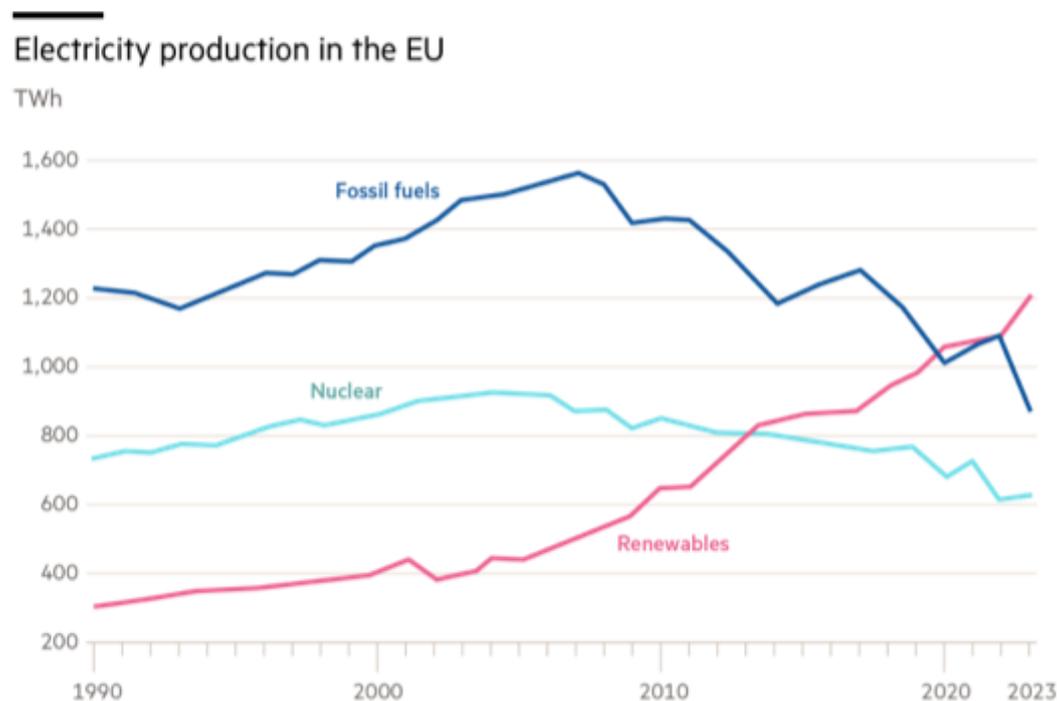


### Electrification



# Negative power prices will jolt European markets

Electricity prices dropped into negative territory a record 7,841 hours across Europe in first 8mths of 2024



Source: Eurostat

\*Financial Times 22<sup>nd</sup> Sep 2024

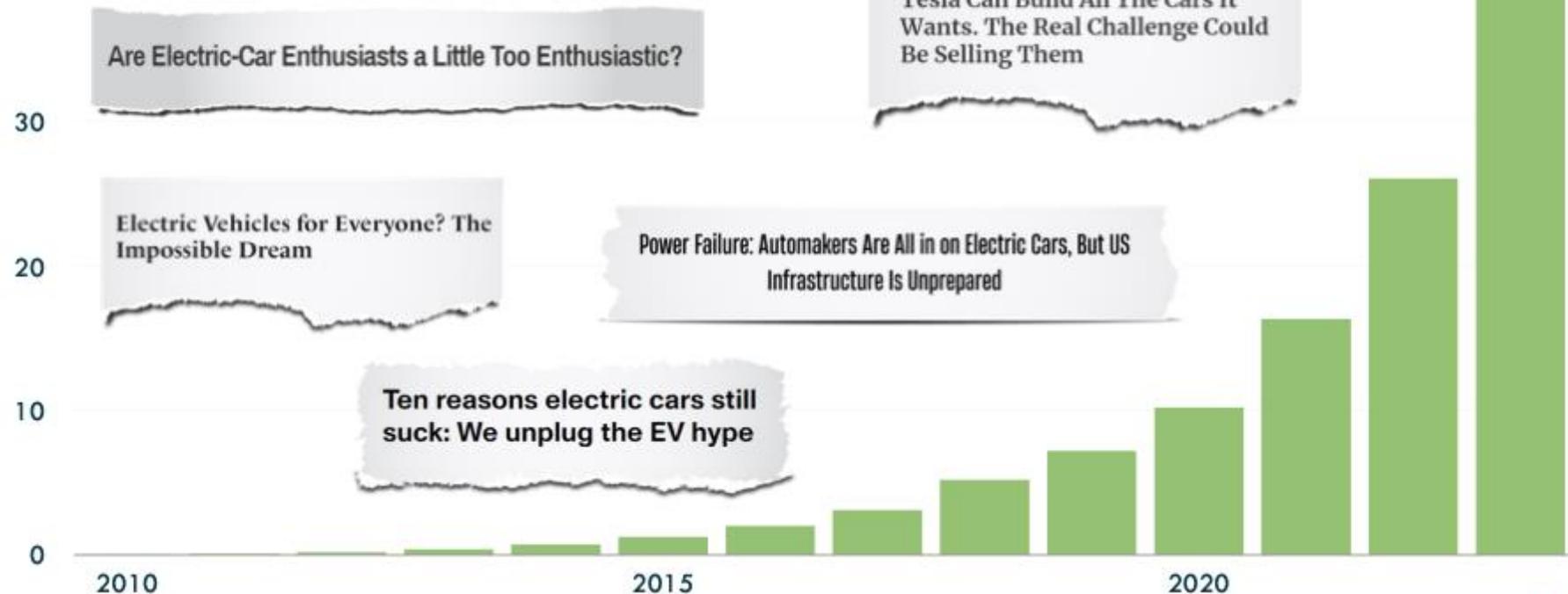
If renewables share of consumption reaches 42.5% by 2030, up from 23% in 2022, this will undoubtedly lead to more price cannibalisation

# Focus on the signal not the noise

•There are always barriers to change. Those who solve them get rich.

## EV adoption versus headlines

40 million EVs (fleet)

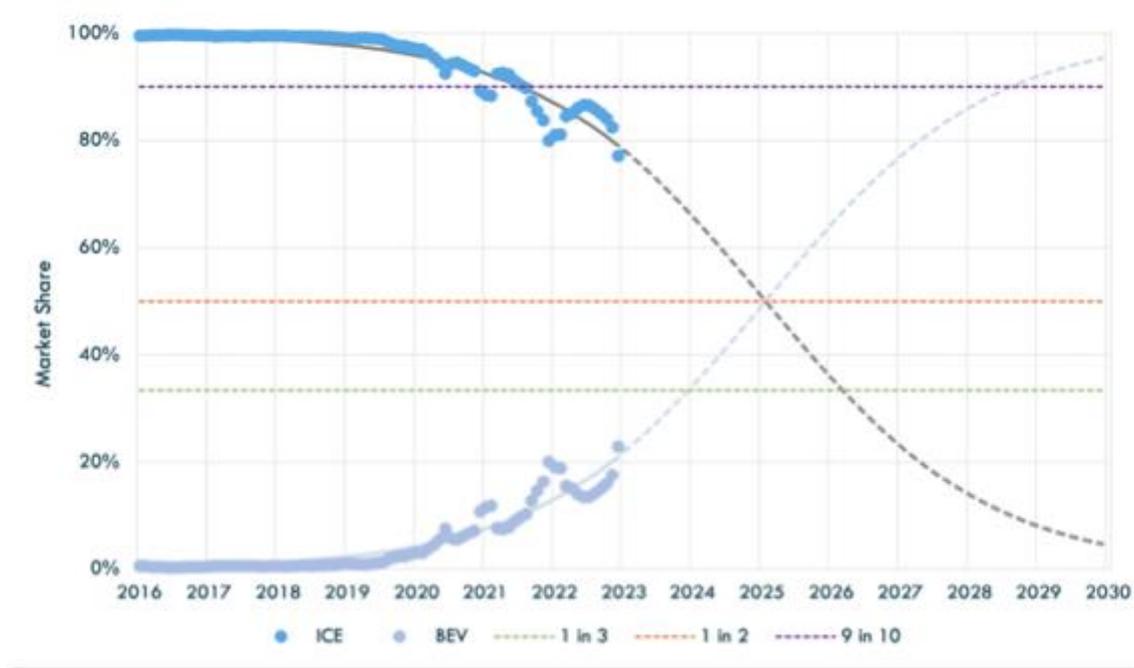


Media headlines are centered around their year of publication.

\* Sources: IEA, CNET, Time, Forbes, InsideHook, Manhattan Institute.

# Electric Vehicle Sales: S-Curve Oil Substitution Risk

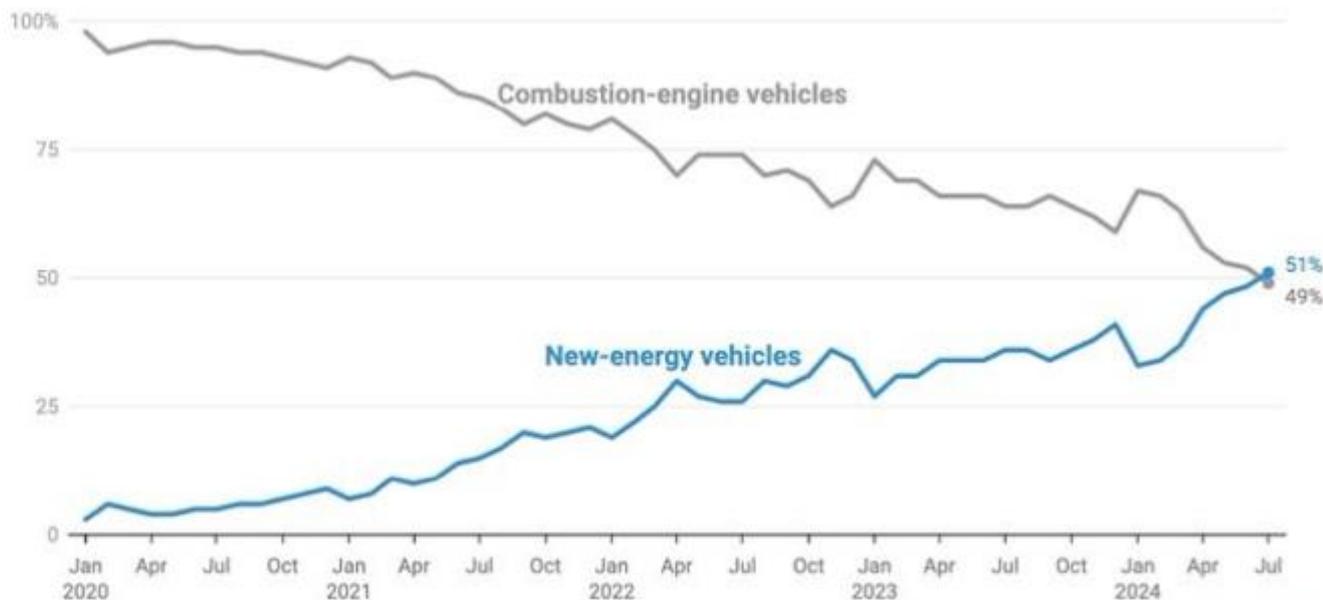
UK New Vehicle Sales – BEV & ICE Market Share



# Electric Vehicle Sales: Chinese EV's just outsold ICE

## New-energy vehicles just topped 50% of the Chinese car market for the first time

Share of passenger car retail sales in China, %



Source: China Passenger Car Association

# And automakers under siege

Markets are discounting growth expectations of ICE manufacturers and rewarding growth from cheap(er) EVs



## 2024 - YTD share prices

BMW - 35%

Toyota - 33%

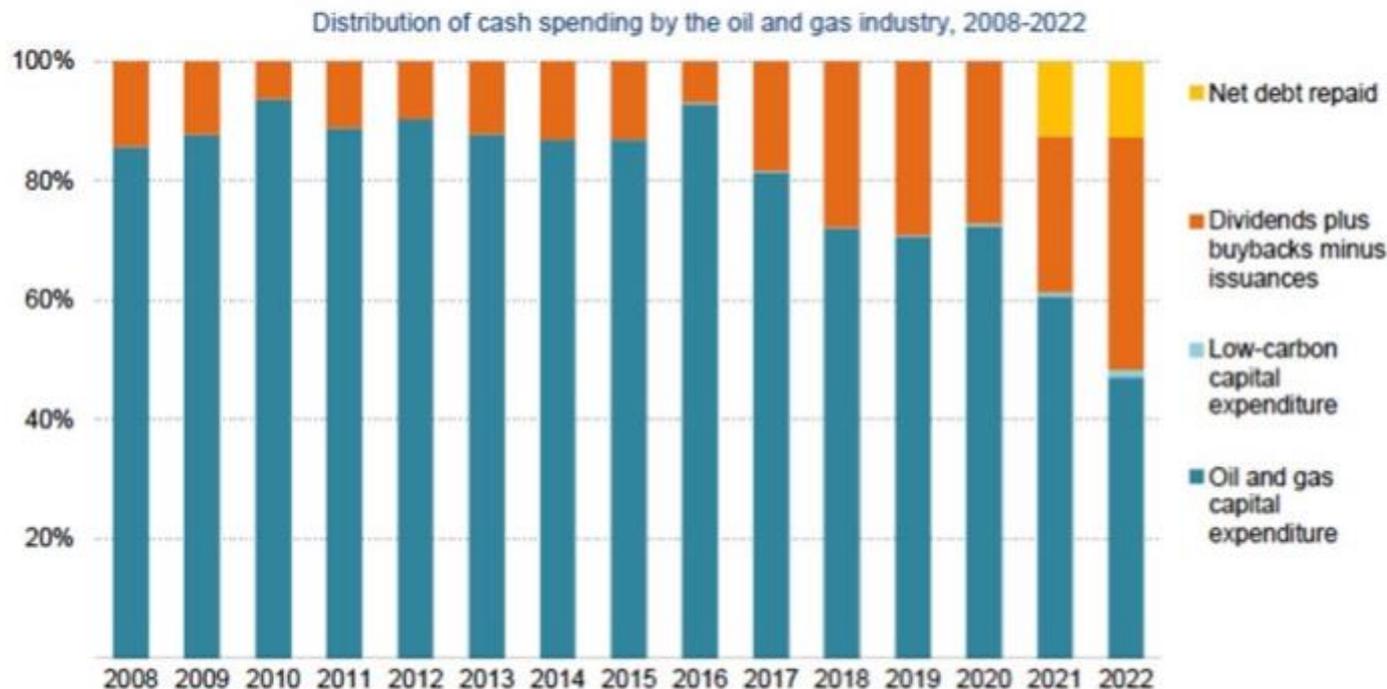
VW - -21%

BYD + 34%



Source: <https://uk.marketscreener.com/quote/stock/BMW-AG-56358353/graphics-comparison/>  
September 2024

# Less than half of O&G Industry's unprecedented cash flow is going back into traditional supply



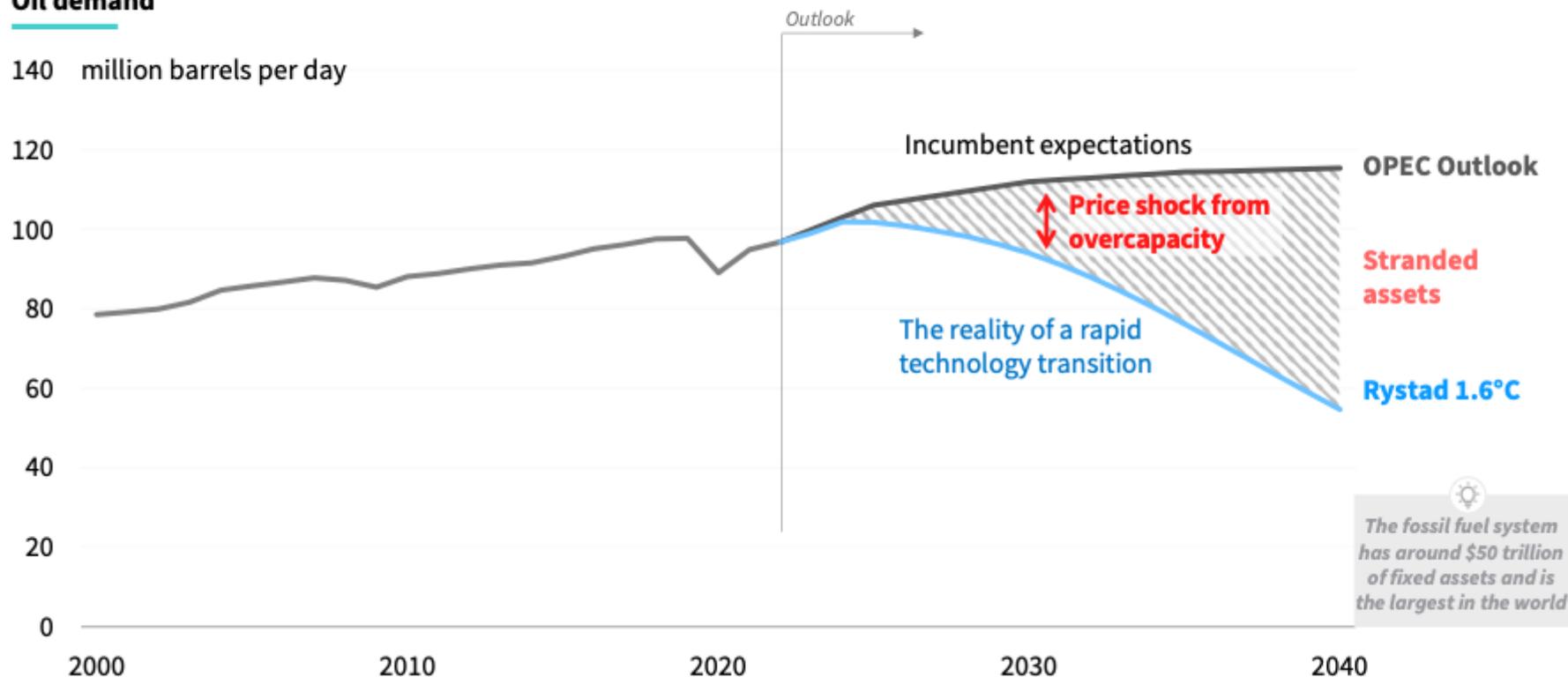
**Only a small fraction of cash flow is invested in clean technologies**

**Distribution of cash spending by the Oil and Gas Industry, 2008-2022**

# The fossil fuel system faces trillions in stranded assets

Assets get stranded at the top of the market, and disruption is driven by price changes

## Oil demand



*The fossil fuel system has around \$50 trillion of fixed assets and is the largest in the world*

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# Close - Next Steps?

Julia Dreblow  
*Founder & CEO*

SRI Services & Fund  
EcoMarket



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# Thank you for joining us

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