



ESG investing and Other Climate Issues for Livery Charities Chair: Julia Sibley with Alderman and Sheriff Alison Gowman, Stephen Beer and Eoin Murray

Julia Sibley, Past Master Innholder and Chair of their Patronage Committee, introduced the session and the speakers. Alderman and Sheriff Alison Gowman then talked about the work of the Livery Climate Action Group and shared key aspects of its work:

1. The City of London Corporation's own Climate Action Strategy has committed the City Corporation to achieve net zero for their own direct emissions by 2027 and commits to achieving net-zero greenhouse gas emissions in the Square Mile by 2040. It is that second element that means that the City is working to encourage all its occupiers, including Livery Companies, to be net zero by 2040.
2. The Livery Climate Action Group is an informal grouping and open to all Livery Companies, currently there are 45 full members
3. The website liverycag.org.uk is a great mine of information with lots of guidance notes.
4. The LCAG facilitates mutual self-help for Livery Companies and Guilds to grow their knowledge and expertise in the practical measures they can take towards a sustainable, adaptable and resilient future. This will allow them in turn to influence and encourage their associated professions and trades in the City and beyond.
5. There is a funders' commitment on climate change where a great raft of significant foundations have signed up and Livery Companies could consider this. It is found here: <https://fundercommitmentclimatechange.org/>
6. Liveries could consider funding environmental charities or helping the charities that you do support to consider their green credentials.
7. The LCAG annual conference is on 4th July 2022 and sign up can be made on Eventbrite <https://www.eventbrite.co.uk/e/lcag-annual-conference-tickets-330660052117>

Alison then handed over to Stephen Beer who emphasised several key points:

- It matters how we invest
- Investing with Environmental, Social, and Governance (ESG) considerations can mean looking at the financial and ethical aspects of issues including amongst others: climate change; water scarcity; biodiversity; equality, diversity, and inclusion; human rights; Modern Slavery; and executive pay and responsibilities.
- When considering ESG it is useful to think about and understand values, risks, returns, and effects. This would include charitable purposes and reputation. There are potential risks attached to ignoring ESG as well as potential risks when incorporating it into investment strategy.
- ESG faces challenges about efficacy and priorities - as always it is about what one is trying to achieve.
- A recent ruling (Butler-Sloss vs Charity Commission) clarified the law for charity trustees looking to incorporate their charity's values in its investment strategy and is worth studying.
- The Livery Climate Action Group published a guide for Livery Companies to thinking about ESG.
- It is important to be clear about the organisation's values and objectives including charitable purposes and financial strategy. Starting there, with professional advice where appropriate, is the right way to begin thinking about an ESG investment approach.



Eoin Murray of Federated Hermes and Immediate Past Master of The Guild of Investment Managers then joined Alison and Stephen for a panel session facilitated by Julia Sibley.

Julia began by asking: We are starting to hear claims about financial institutions 'greenwashing' with some funds which are not always what they appear - to what extent does ESG investing make a difference? Panel member responses included:



- that ESG investing definitely does make a difference and has been gaining in importance recently;
- the number of fund managers offering ESG investments is growing considerably but this is still a fairly new area for many;
- it would be a good idea for us as clients to ask our respective investment managers to explain how sustainability and ESG considerations are incorporated into their investment process and to give us some evidence of how their portfolios are constructed on this basis;

The Panel were then asked to look at what is next in the fight against climate change. The next UN Climate Change Conference, COP 27, is taking place in Egypt in November. Bearing in mind that some called COP 26, Flop 26, what might we expect? In response, the panel commented:

- A lot was discussed and good has come out of COP 26. There are major moves in finance taking place in the developing world.
- We now have to really help developing countries get up to the levels of the developed world. We can't leave them behind.
- Good frameworks and components from the Paris agreement were taken forward and progress must continue.
- There is also the UN Biodiversity Conference, COP15, part 2 taking place in China later on this year – this should help to develop the framework for biodiversity and get all countries in agreement with it.

Finally there was a question from the floor from a Clerk of a livery company without a Hall. "As we don't have a Hall, what can we do about climate change?" Panel responses included:

- As climate change is such an important issue for everyone, we all should try to do something;
- All charities and companies can look at their investments;
- Livery Companies using others' Halls could challenge the Halls that they use and ask if they are following good ESG guidelines and could challenge the catering company they use about their sustainability policies;
- How people travel to the Hall is also an issue. Zoom could still be used where possible to save lots of journeys.

