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Institutional Investors Lobby for Sustainability

In September, institutional investors took the lead in calling for sustainable practices. The most notable calls came on two fronts.

The Aspen Institute

Backed up by such luminaries as Warren Buffet (CEO Berkshire Hathway), Lou Gerstner (former CEO IBM), John Bogle (Vanguard founder) and James Wolfensohn (President World Bank), the Aspen Institute issued a call for renewed focus on sustainable long-term investing. The report states bluntly that short-termism is “system-wide,” and fixing the myopia will require a comprehensive solution. Chief among their recommendations are adjusting the tax code to discourage short-term trading, enhancing transparency (especially through the disclosure of derivatives positions) and better aligning the interest of intermediaries with investors.

2009 Investor Statement on the Urgent Need for a Global Agreement on Climate Change

Institutional investors managing over \$13 trillion (£7.9 trillion) in assets, issued a strong call for action, including binding treaties, to reduce pollution, limit greenhouse gas emissions and tackle climate change. The 181 institutional investors met in conjunction with the Climate Change Forum. Among the specifics they advocate for a global agreement are:

- Global emission reductions of 50-85% by 2050
- Emission reductions of 80-95% by 2050 for developed countries.

The statement was coordinated through the combined efforts of the Institutional Investors Group on Climate Change, Investor Network on Climate Risk, Investors Group on Climate Change, and the United Nations Environment Programme Finance Initiative.

Related Links:

Aspen Society. Overcoming Short-Termism: A call for a more responsible approach to investment and business management.

http://www.aspeninstitute.org/sites/default/files/content/docs/business%20and%20society%20program/overcome_short_state0909.pdf

Environment Analyst. Investors Urge Gov'ts to Aim for 80-95% Cut in GHG Emissions by 2050.

<http://environment-analyst.com/2213>

Institutional Investors Group on Climate Change (ILGCC). 2009 Investor Statement on the Urgent Need for a Global Agreement on Climate Change.

http://www.unepfi.org/fileadmin/documents/need_agreement.pdf

Network for Sustainable Financial Markets (NSFM). Defeating Short-Terminism, Why Pension Funds Must Lead.

<http://www.sustainablefinancialmarkets.net/>

Professional Pensions. Investors call for 'Strong and Binding' Global Climate Change Treaty.

<http://www.professionalpensions.com/professional-pensions/news/1533962/investors-strong-binding-global-climate-change-treaty>

Reuters. Global Investors Call for Binding Climate Policy.

<http://www.reuters.com/article/GCA-GreenBusiness/idUSTRE58F5R320090916>

Wall Street Journal. An End to the Focus On Short Term Urged.

<http://online.wsj.com/article/SB125244043531193463.html>
