Investment Risks and Options: The Climate Case and Beyond

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April 4, 2014
Cambridge, MA
Sustainable Investing

- Meeting the needs of current beneficiaries without compromising the needs of future beneficiaries; longer term perspective
- Integrating E, S & G risks and opportunities in investment process
- Asset stewardship/active ownership/corporate engagement
- Consistent with Fiduciary Duty
- Can and should be integral to all investment strategies
• Unprecedented ESG Risks & Opportunities
• Business Case for Sustainable Investing
• Fiduciary Duty & Sustainable Investing
• 10 Key Steps to Integrate ESG Risks & Opportunities
• www.ceres.org/resources/reports
10 Steps to Sustainable Investing

INVESTMENT GOVERNANCE
Step 1: Investment Beliefs
Step 2: Trustee Oversight

INVESTMENT PRACTICES
Step 3: Materiality
Step 4: Asset Allocation
Step 5: Investment Strategy
Step 6: Manager Selection
Step 7: Asset Classes
Step 8: Monitor Manager Performance

ASSET STEWARDSHIP
Step 9: Proxy Voting & Active Ownership
Step 10: Market & Policy Initiatives
Climate Change Causes Multiple Risks for Companies and Investors

- Physical Risk
- Regulatory Risk
- Liability/Litigation Risk
- Reputation/Competitive Risk
- Supply Chain Risk
- Stranded Asset Risk/Carbon Bubble
- Water/Resource Scarcity Risks
- Systemic Economic Risk