

Taking environmental responsibility seriously in investment decisions [summary]

CEIG welcomed over 40 people to a seminar on 'Taking environmental responsibility seriously in investment decisions' at St Mary-le-Bow Church on 13th April 2005.

The event was chaired by the Rt Revd & Rt Hon Richard Chartres, Bishop of London, and the panel included representatives of Friends of the Earth, BP, the Universities Superannuation Scheme, and EIRIS the ethical investment research service.

The evening took the form of a short presentation from the Chairman drawing attention to the Christian dimension, and each of the panel members from their various perspectives. A number of relevant and searching questions were asked by the audience, and there was much discussion after the event over refreshments.

The sections below describe the contributions of the panellists in more detail. If you have any questions or require further information, please contact secretary@ceig.org.

The Rt Revd & Rt Hon Richard Chartres, Bishop of London

Bishop Richard gave a detailed and thought-provoking speech covering such diverse areas as Antarctica, global warming, business ethics, 3IG, investment returns, renewable energy, Tesco... and many others.

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Mr Simon McRae, Corporate Accountability Campaigner, Friends of the Earth

Simon described why we should take the environment seriously, highlighting that we only have one planet and there is no alternative! He then talked about the presence, the extent, and the potential consequences of global warming, and voiced the opinion that business is not doing enough to control it.

He went on to describe the options open to the ethical investor, giving a number of useful and practical examples. Ethical investment cannot save the world as it stands, and will not until tax and company laws are reformed, and fair global trading rules are created.

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Mr Graham Baxter, Vice President Corporate Responsibility, BP plc

As a representative of one of the world's largest oil companies, Graham made it clear from the start that he was treading a fine line between personal opinion and the policies of BP. This meeting was timely in that it came shortly after the publication of BP's Sustainability Report 2004 and a recent speech by Lord Browne, BP Group Chief Executive.

The aim of the report was to show that BP is being a good corporate citizen, outlining the steps it is taking to safeguard sustainability in all that it does, but also being realistic about the challenges it faces.

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Mr Peter Webster, Executive Director, EIRIS

EIRIS is a leading European provider of independent research into the social, environmental and ethical performance of companies. Peter was therefore well placed to comment on how companies around the world are rising to the challenge (or not, as the case may be) of taking the environmental consequences of their actions seriously.

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Mr David Russell, Universities' Superannuation Scheme

As one of the UK's largest pension funds, the Universities' Superannuation Scheme looks after many billions of pounds of investors' money, and invests in most of the FTSE 100 index of leading companies. USS already has a strong policy on Responsible Investment, details of which can be found on their website.

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Questions

A number of questions were asked during the evening. It was not possible to take detailed answers to them at the time, but the questions themselves are listed here (paraphrased) for you to think about.

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- What about the nuclear option? Can renewable energy sources replace gas and coal sources and still meet consumer demand? What additional zero carbon emission options can be deployed to meet demand?
- What do we do about the refusal of the United States Government to sign up to the Kyoto treaty?
- Some mandates have been in existence for a long time without significant update. Should they now be updated to reflect the changing investment landscape, and take note of the wishes of all investors?
- Shouldn't we be prepared to accept lower dividends or even lower pensions in return for keeping our 'environmental footprint' to a minimum? Won't we end up paying for our misuse of the environment eventually?
- Should the major oil companies (Exxon Mobil, BP and Shell) be returning \$88bn to shareholders in special dividends and share buy-backs at this time, or be re-investing in alternative energy and climatic recovery for Kyoto-protocol based returns?