# What Pensioners & Investors Can Do to Stop Global Warming

By Jerry Allen, 2021

Now that the new UN Climate Report has issued a **Red Alert** to all nations that we must act strongly now to stop actions that are contributing to our climate disaster, many are asking, "what more can we as citizens do to help stop the damage and work for a safer climate for our children and grandchildren?" Many are already taking important actions like reducing fossil fuel driving and other fuel use, putting up solar panels, reducing food waste, supporting clean energy alternatives and forest protection and re-localizing our spending to support local businesses and greatly reduce reliance on energy-heavy transport of goods and foods.

**The Impact of Investment Managers and Climate-Friendly Investing.**
Pension plan funds, IRA accounts, 401K accounts and most other retirement funds are generally invested by fund managers, who invest across the spectrum of the investment world in diversified portfolios. They have a big impact on companies. They have long had the capacity to screen out companies that, for example, build land mines or make cigarettes. It is now possible to direct those managers to assess the climate impact of investments and to dis-invest in companies that are not urgently taking strong steps to align with stopping global warming.

For many years pension fund managers have resisted such steps by stating that social constraints on investments would deprive funds of higher returns. That logic has now been debunked in two ways. First, it turns out that companies that reorient their businesses to become carbon neutral and take other climate-friendly steps are becoming more prepared to prosper as climate challenges change our way of life. Many large and small companies are beginning to adopt policies and practices that address climate concerns. Some mutual funds are specifically applying such screenings to the companies in which they invest, and are being rewarded by pension funds and other investors. Secondly, it does no good to reach for a high return by investing in climate-damaging strategies. Isn't that becoming clear as our climate is unravelling before our eyes right now? For example, cutting down forests to make high returns reduces Earth's capacity to store carbon, leading to hotter temperatures, more droughts, fires, hurricanes, and floods. Can this knowledge help shape our assessment of investments?

**What We Can Do:** Below are some statements and questions you can ask your investment managers that will help focus their thinking on these issues and may help to re-align their strategies. This can apply to your private investments and to your pension plan.

First tell them you are completely aligned with investing in a carbon-neutral, climate-friendly approach and it is an assault on our children to do otherwise. Say it with kindness. We are all learning to do better. We want to build alliances, not polarize.

**Questions for Investment Managers**: 1. Are you aware that some investment analyses now show that companies that take actions to become carbon-neutral and adopt climate-protecting strategies are predicted to prosper better in the future?

2. When you do due diligence to research a company for potential, or continued investment, do you assess their readiness to prosper in a climate-changing world and do you assess the steps they are

taking to adopt carbon-neutral and climate-friendly business strategies? Do you utilize research services that have adopted these lines of analysis and ratings of companies?

3. How have you re-aligned your investment recommendations as a result of this type of analysis? Are you ready to be a leading voice for this strategy? How can we help you?

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