

ShareAction's multi-stakeholder event in Berlin

by *Helen Gibbons*

[ShareAction](#) is a UK charity which made its name by ranking large UK pension funds in terms of Responsible Investment (RI). It now bills itself as 'the movement for Responsible Investment'. Its aim is to 'make investment a force for good - serving savers and communities, and protecting the environment for the long term'. The event was held in Berlin in June to mark the launch of the [European Responsible Investment Network](#) (ERIN), a new network of civil society organisations that share an interest in improving the public accountability and investment practices of Europe's investment sector and mobilising the power of investors to promote sustainable corporate behaviour.

As someone whose entire career has been at the commercial interface between the UK and continental countries, I was keen to see how a UK organisation such as ShareAction would pitch itself into the mainstream of RI in Europe. It was an impressive performance. A total of 150 delegates from across Europe heard presentations from new and established actors in the world of RI, including the Dutch public-sector pension fund ABP, the United Nations Environment Programme (UNEP), the French RI expert Novethic and UKSA's Dutch counterpart VEB. Specific subjects included climate bonds, sustainability analysis, divestment from coal (championed somewhat ironically by Norway's massive oil fund) and the United Nations Principles for Responsible Investment (UN PRI). There were some differences in approach, with organisations from northern Europe favouring more bottom-up methods, while the French and southern European preference seemed to be for greater regulation. Generally, however, all delegates saw merit in a coordinated approach by shareholders to influence companies on a European level.

The common theme running through all presentations was the need to move from a short-term trading approach to long-term share ownership to achieve social and environmental goals. Civil society groups needed to move from the 'theatre of protest' to building links with issuers.

ShareAction came across as a young and energetic organisation. Its activists reflect the 'millennial' zeitgeist of a strong focus on environmental matters. RI is usually said to concern itself with Environmental, Social and Governance (ESG) factors. ShareAction's focus in Berlin was clearly on the first of these, more specifically on climate change. There was less coverage of governance issues.

In the UK, ShareAction uses AGMs to challenge companies on ESG issues. Well-briefed activists – describing themselves as 'foot soldiers' and part of an 'AGM Army' – attend AGMs and table questions on a range of ESG matters. Recent successes include a campaign to urge Whitbread plc to haul itself from the sixth-from-bottom tier of the Business Benchmark on Farm Animal Welfare. UKSA and ShareAction clearly come at the shareholder rights question from different angles, but there is some common ground in our calls for governance that is focused on the longer term and on ethical pay policies. We are complementary in that UKSA promotes the rights of private shareholders, while ShareAction comes from a more institutional background. In terms of methods and approach, however, we could learn from each other.

There was some irony in the fact that ShareAction made its mark so effectively at the heart of European RI just two weeks before the Brexit referendum. Clearly Brexit will not change the high level of integration between British and European businesses, but it may have an impact on regulation, especially in the case of a 'hard Brexit'. Future iterations of the EU's Shareholder Rights Directive, for example, will not necessarily apply to the UK. A deregulatory approach in post-Brexit Britain could widen the gap between UK and continental practice. ShareAction said that, come what may, it remains committed to working both in the UK and the EU.

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