

Victor Galaz of the Stockholm Resilience Center and **Javiera Ragnartz**, CEO of SEB Investment Management and SISD representative in Global Investors for Sustainable Development.

Though the speakers, just like the SISD-network, represent different backgrounds and interests, there were some common themes in their presentations. The most important was **urgency: Climate change and the depletion of our biodiversity is happening now, hence we need to act now!** Commitments are important but actions speak louder than words. The challenges are often interconnected, where e.g. people living in poverty are impacted disproportionately by climate change. The responses need less borders and boundaries, and more cooperation. **No sector, industry or country can do this on their own** and therefore cooperation is of utmost importance.

As the keynote speakers helped set the scene, we pursued by having some of the SISD members - **Emma Henningson** of AP7, **Victoria Lindén** of Storebrand/SPP and **Carina Silberg**, Alecta - sharing examples of actions their organizations had taken to increase volumes and improve structures relating to investments in climate and nature. There are indeed challenges; in search for impact, investors often experience **uncertainty**, which investors generally dislike. One way to counteract that is to form coalitions of the willing, where information – and risks – are shared and actions united. One member also explained how they have started to publish (on their website) how they vote at Annual General Meetings, thereby contributing to transparency and predictability.

After the presentations, discussions and knowledge sharing continued in three break-out groups. The groups focused on 1) corporate governance and transition financing, 2) reporting framework and transparency from the perspective of corporate governance and 3) blended finance solutions promoting green investments on developing markets.

The engaged discussions covered many topics, and while there was a consensus on some issues, the members differed on others, partly because of various investment strategies, mandates and so forth. The differences, however, were also enriching, as they promoted cross-learning and sometimes illuminated solutions (or problems) that may be new to one company, but obvious to another.

These are some of the issues that were discussed (*note that these bullets are not necessarily reflecting joint opinions*):

- The importance of transparency – even though data are not always easily comparable
- Sustainable investments have impact on nature and for people. The transition must not only be green, it also needs to be just. The Sustainable Development Goals which encompasses all countries can help us get priorities right
- The risk of losing sight of real-world impact because of complex regulatory requirements
- The importance of involving asset managers in sustainability discussions
- The requirements and expectations on our sustainability functions seem to be ever increasing but we should be careful not to limit ESG to reporting and compliance
- Corporate governance and executing the powers of owners in the companies was emphasized and discussed from the perspective of *raising ambitions and inspiring the global community* of investors
- Impact investments and investments in developing countries are often very time consuming – but certainly very important and it gets easier as we learn

- Data, methods etc. are only on climate. Although climate focus is very important, domino-effects with regards to nature needs to be better understood and accounted for.
- The need for structural changes, including a long-term shift away from fossil fuel and unsustainable extractive industries/unsustainable forestry
- The need to further integrate sustainability assessments into financial decisions. A changing planet makes ESG-risks harder to assess but probably also more likely
- The possibilities of aligning companies' activities with the climate agenda and Paris Agreement through corporate governance, executing the powers of being an owner
- Possibility of introducing a mandatory agenda item on climate action and green transition in the annual general meetings
- Relating companies' remuneration systems to sustainability and green transition and working on a guiding model for this

Next step. The issues raised above will certainly continue to be discussed within SISD. To the extent the discussions can inform or inspire action that would certainly be welcome. This note, as well as a recording from the event, will be shared with Stockholm Resilience Center who will incorporate some of the conclusions in a report they are preparing ahead of the Stockholm +50 Conference.

A special thanks to Eric Usher, Director, United Nations Environment Program Finance Initiative (UNEP-Fi) for moderating the event!

This summary was prepared by Sida, convenor of SISD, March 2022