



Written by [Bob Adelman](#) on February 25, 2019

Hidden Group Blackmails Big Energy to Go Green

[Recent announcements](#) by major oil, gas, and coal-producing conglomerates that they are now kowtowing in conformity to the Paris Accord have focused the spotlight on the low-profile investor activist group that forced their hands: Climate Action 100+ (CA100+). Launched in 2017, the group boasts “more than 300 investors with over \$32 trillion in assets under management” that seek “to ensure that the world’s largest corporate greenhouse emitters take necessary action on climate change.”



Among those investors angling to make the world green by threatening to withhold investment capital include the California Public Employees’ Retirement System (CalPERS), which has \$360 billion in assets; Allianz SE (a German investment management company headquartered in Munich), which controls \$2.2 trillion; and HSBC Holdings (headquartered in London), with \$470 billion under management.

An early success resulting from “negotiations” with top management was Royal Dutch Shell, which agreed to, as Cyril Widdershoven wrote for Oil Price, “officially change its strategy, investing more in renewable energy and energy storage” than they had originally planned. Said Widdershoven:

The Dutch [company] wasn’t forced to do so because of mismanagement or a lack of reserves but due to a well-orchestrated investor/stakeholder offensive.

On February 1, British Petroleum (BP), one of the world’s seven largest oil and gas “supermajors,” announced that it had accepted CA100+’s resolution that commits the company to come into compliance with the Paris Accord. The goal of that international agreement signed onto by nearly 200 countries, it will be remembered, is to “keep the increase in global average temperature to well below 2 degrees centigrade above pre-industrial levels, and to limit the increase to 1.5 degrees centigrade since this would substantially reduce the risks and effects of climate change.” This is the same Paris Accord from which President Trump said he would withdraw U.S. support back in June 2017.

BP agreed to alter its business strategy “to be consistent with the goals of the Paris Agreement on climate change”; to “evaluate the consistency of each new material capital investment with the goals of the Paris Agreement”; to adjust accordingly “the anticipated levels of investment in oil and gas and other energy technologies”; and to link “its [new] targets with executive compensation.”

Stephanie Pfeifer, a member of the CA100+ steering committee could hardly contain herself over the victory:

Investors are helping ensure climate change is firmly on the boardroom agenda, which is especially important for the oil and gas sector. It’s encouraging to see major companies such as BP moving in the right direction. Global carbon emissions need to be reduced urgently and investors expect other companies in the sector to follow suit.



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On February 20, CA100+ scored again, this time with Glencore, the multinational mining company that ranks 10th in the Fortune Global 500 list of the world's largest companies. It agreed to:

- Not grow coal production capacity beyond current levels;
- Not make future capital investments unless they are “aligned with the goals of the Paris Agreement”; and
- Tie executive compensation to the achievement of those goals.

Pfeifer weighed in again:

Glencore's commitment to work within the Paris Agreement is a significant step forward for the company. As engagement moves to the next stage we look forward to working with Glencore and the sector as a whole on reducing emissions across the value chain.

The fact that blackmail — the threat of withholding investment from Glencore unless it complied with the group's demands — was evident came from Narina Mnatsakanian at Kempen Capital Management:

We see Glencore's commitment not to grow its coal production capacity and its willingness to set clear emission reduction targets as an important step towards its contribution to the Paris Agreement goals. We believe that engagement needs to be done by all types of investors.

That is why we *as a bondholder* worked with the company's shareholders and other parties. Collectively we can make a bigger difference and further support Glencore in implementing its commitments and developing longer-term targets. [Emphasis added.]

Anne Simpson, the director of the Board Governance and Strategy at CalPERS and co-founder of CA100+, added:

Climate change brings both risk and opportunity for investors. Keeping global warming to well below 2 degrees demands bold and urgent action from the world's largest greenhouse gas emitters. Glencore's new commitments to its investors are a vital step forward in the path to align strategy with the goals of Climate Action100+.

Mindy Lubber, also on the CA100+ steering committee and president of the California Environmental Resources Evaluation System (Ceres), was encouraged by Glencore's capitulation:

We welcome this announcement from Glencore and think it will send a powerful signal to other companies about aligning their businesses to the Paris Agreement. It also demonstrates the success of investor engagement.

Both corporates and investors need to act now and with urgency on climate action.

Or else.

For if the companies don't concede, the \$32 trillion blackmail hammer wielded by CA100+ will come crashing down on them.

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