



COP26 – Reflections from a couple of days in Glasgow

This was my first experience of a COP meeting. Admittedly on the periphery but close enough to get a real sense of the mood and energy (renewable of course) surrounding this, the most critical COP since Paris in 2015. After two frantic days of moving around tightly scheduled events at numerous venues around Glasgow, the train journey home provides a calm period for reflection on my key takeaways from the experience.

A sense of urgency. Despite the doom and gloom prior to the COP, the first week witnessed significant, time bound commitments in a few short days; ending deforestation by 2030, reducing methane by 30% in the same time frame, and India reducing carbon intensity by 45% by 2030 to name a few. Yes, the devil will be in the detail and whether the reality will match the rhetoric, but no one was shying away from the knowledge that the time to act was now.

There was a collective acceptance that we are in the “last chance” saloon and the true enormity of the challenge. Mark Carney who is leading the Glasgow Financial Alliance for Net Zero, a \$130 trillion collective committing to move all their assets to net zero investments by 2030, talked about needing \$2-3 trillion a year to enable the developing world to transition to net zero. It brought into sharp relief the “failed” commitment made by developed economies to contribute \$100bn per annum from 2015. With private capital and now voters driving the narrative, my hope is that the COP26 negotiations will see proportionate and deliverable plans.

Clear desire to do the right thing for people and the planet. There was a strong moral compass on display, as multiple speakers talked not just about climate change but about the morality of making this a “just transition”. The developed world is accepting that those “most affected by climate change, were those who did the least to create it”.

Whilst the headlines will be about the opening of cheque books (if these things still exist), I was amazed by the vast array of businesses, charities, foundations etc just getting on and dealing with this. There are still billions of people with no access to reliable energy, kids unable to study after dark, and lives blighted by bronchial illness through smoke inhalation from wood stoves. According to the Rockefeller Foundation, climate change could drag a further 700m people back into extreme poverty by 2050. I heard numerous examples of how the huge reduction in the price of solar power and the ability to build small, off grid installations can transform lives whilst removing the reliability on coal fired power stations. As Rajiv Shah (President, Rockefeller Foundation) said “the fight to end climate change, is also the fight to end poverty”.

Path dependency creating inertia. Clearly most of the people at COP26 were like-minded and in such situations group thinking can dominate. It was great therefore to listen to Sir Chris Hohn (leading activist investor and instigator of the Say on Climate initiative) talk passionately about the need for significant government action through legislation and taxation to “shock” fossil fuel producers and other high emitters from their current paths into new lower carbon trajectories. He rightly pointed out that relying on companies to make unilateral changes that may risk competitiveness has historically, and will continue to, lead to no change or at best incremental change. Governments need to set a playing field that incentivises change to low carbon solutions, especially whilst new technologies reach economies of scale. This has been demonstrated to work well in solar and wind technology. To support his point, he said 35% of global GHG emissions are produced by corporates and these are currently still rising.

Will political expediency curtail radical action? However bold and confident the statements made by politicians, there is always the nagging doubt that when election time comes about, commitments will quietly side-line in favour of vote winning alternatives. The current range of estimates is that even if **all** commitments that have been made are delivered, we are on a path to limit the temperature increase to somewhere between 1.8 - 2.4 degrees. This is clearly not enough and so much more needs to be done and sooner rather than later. Throughout the conference, I am buoyed by the energy and drive particularly from the young to see this delivered. I was privileged to attend an event led by the Society for Chemical Industry, focused on young scientists leading in fields such as hydrogen fuel cells, green concrete and sustainability in consumer goods production. For them, there was personal and visible frustration at the lack of political will in the past. As these younger voters are now the voters of tomorrow, maybe political expediency and climate change are one and the same thing now?

Old model economics needs to be replaced with new thinking. I still heard climate change adaptation/ mitigation talked about as a “cost” far more than as an “opportunity”. However, powerful voices such as Paul Polman are advocating that we need new business models which are “net positive” where sustainability and social justice sit at the heart of the value proposition. Clearly, this is very much in line with the Alquity virtuous circle business model which we created over a decade ago. So, I was delighted to meet new, young entrepreneurial businesses following this approach. I was lucky enough to meet the team from Cushon (<https://www.cushon.co.uk>), a new pension provider that guarantees net zero pension portfolios through fund selection and using their own revenues to carbon offset any residual GHG emissions.

Conclusion

My mood on leaving Glasgow was optimistic and emboldened by the ideas and passion I had witnessed but also wary of the enormity of the challenge ahead. It will take actions from every single one of us to defeat climate change. That is my main message, each of us has the power to contribute. As Leo Tolstoy wrote “everyone thinks of changing the world, but no one thinks of changing him(them)self”.

Leaving it to others is no longer an option. Whether that means insulating your house, eating less meat or choosing more climate friendly funds, we are all foot soldiers in this battle to ensure future generations have an inhabitable and biodiverse, planet to enjoy.



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