

TFN Impact Report

Name of your Organisation:	Preventable Surprises
Name of the project TFN funded:	Activating European investors on climate change
Date Funded by TFN:	25/04/2017
Were you able to undertake your project as planned?	Yes
Can you describe and/or demonstrate the specific impact that TFN funding has had against your initial objectives?	<p>The project focused on the very serious contribution by energy utility companies to global greenhouse gases: we wanted to focus on what EU institutional investors could do about EU energy utility companies and use this to set a global benchmark.</p> <p>Once we started our actual outreach to investors, it became clear that there was even less appetite amongst EU investors than we had anticipated for forceful stewardship to deal with this sector. Reasons given included: EU utilities are better than their global peers and asking for disclosure of scenarios was fine for now. We concluded, however, other factors were also important including: turf (ESG trade bodies are very territorial); limited engagement resources which were fully directed at fossil fuel companies (to manage campaigner pressure); and an unwillingness to push something that regulators (eg TCFD) were not asking for.</p> <p>We tried many of our best ESG contacts but kept going through the same loop – an initial positive (and we believe genuine) “yes in principle” followed by non-detailed “no”, once our contacts had consulted internally and with peers. We had several such false starts. We even contracted with a well-networked consultant (paid from our core budgets) to see if they could help us navigate these obstacles but without success.</p> <p>Faced with this systemic immunity to change we have taken the following actions:</p> <ul style="list-style-type: none"> • Become much more explicit about the gap between walk and talk of ESG investors and their incrementalism, for example an article in the FT. Our goal is to reach like-minded ESG professionals as individuals and this seems to be working. For example, Preventable Surprises’ Chair was voted 7th in a recent Extel survey for “most positive contribution” (and the only non insider to be ranked in the top 50) and we had over 13,000 views on LinkedIn for a single posting. • In parallel to the above, we have looked for different ways to engage individuals in a way that gate-keepers cannot block. For example, we will have agreed a webinar series co-hosted with Responsible Investor, “Reality Bites” and we will use the first one to focus on EU investors and energy utility companies (Summer 2018).

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	<ul style="list-style-type: none"> We have reframed the focus of the events to start with our worldview about the urgency, so we build greater shared ownership of the proposed actions. We have focused on a few climate aware decision-shapers in or near the investment industry who are also willing to be fully authentic (e.g. Prof Kevin Anderson, Philippe Defosses of ERAPF and Mark Lewis of Carbon Tracker). This has required detailed, often face to face meetings to brief them and answer their questions. As a result we now have events planned for Paris and Frankfurt in late May, and are talking to similar colleagues about the Netherlands. Having considered carefully the big challenges we faced in getting access to senior decision-makers in a way which they felt compelled to act, and given Preventable Surprises' ability to be nimble and re-engineer itself, we have decided 'go for broke' and take our leadership team up a notch. We decided to appoint a new Chair who is of the investment industry but willing to challenge it and has the senior level contacts needed to influence investment decisions and also funders. That Chair will then appoint a new CEO who has proven campaigning experience in very specialist sector. Raj will stay involved for as long as he can, and in as active a role as the new Chair wants, and David has a new senior role which has much better financial security (he has 4 young children) and a better fit with his experience.
What portion of the project did TFN fund?	64%
How many direct beneficiaries did the TFN funded project reach?	N/A
How many indirect beneficiaries did the TFN funded project reach?	N/A
Were you able to leverage further funding as a result of TFN support?	Yes
If yes, how much were you able to raise?	We were able to raise £8,050 from Polden Puckham Fund for this work.
Did you receive any pro-bono support, volunteer offers or introductions as a result of the event?	Yes
If yes, please can you provide details of the support you	We were also able to raise £10,000 from one of the participants at the meeting (Orp Foundation). We would not have thought to approach

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received?	them had it not been for the TFN meeting.
How important was TFN funding in helping you achieve your objectives?	We wouldn't have been able to achieve our objectives without TFN funding
Since presenting at TFN, has your organisation undergone any other significant changes?	<p>We have undertaken an on-line dialogue to see what can be done to encourage investors in Asian energy utilities to be agents of change. Dialogue participants highlighted a few promising strategies - the challenge now will be to get funders to take a risk given that the major institutional investors in Asia are really resistant to do any climate related stewardship, let alone forceful stewardship.</p> <p>See leadership changes highlighted above.</p>
Do you have any other comments or feedback on the experience of the TFN process?	The experience of pitching for support has given us the confidence to approach our contacts for personal gifts. We have secured 3 such donations (£10,000) and we will expand this approach going forward.
Can you tell us any personal stories to highlight the value of the project?	<p>This project has really brought home how important it is to for group like ours - which is trying to shift norms - to take an approach that leadership guru Henry Mintzberg calls 'emergent strategy' - learning what works in practice by jumping in, trying and then adapting. This learning will strongly influence who we appoint as the Chair and CEO.</p> <p>Challenging any incumbency - including the sustainability/ESG incumbency - means you have to keep going and going and going. And then eventually, with luck, you may find allies. For sure, intelligent targetting is important but ultimately you can't really tell who will respond. So adopting the behaviour of a 'Subbuteo' player - bounce back and try again - is really important too.</p>