27 January 2021

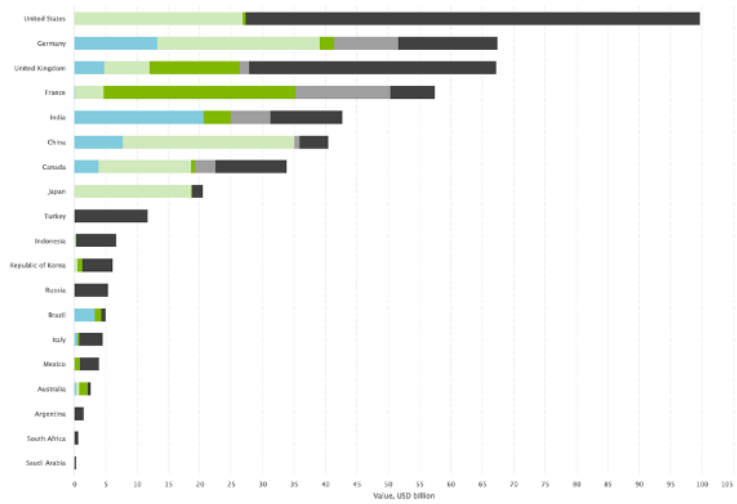
ManagersForFuture Statement

Recovery packages are economic and environmental suicide say ManagersForFuture

At the occasion of the World Economic Forum 2021, ManagersForFuture calls on governments and businesses to divest from fossil fuels. Managers are among the first categories to be heavily taxed on governments' large investments in economically unsustainable fossil fuel sectors. Too often, taxpayer's money is wasted to save firms that harm not only our climate, but also leave us unprepared for the economic challenges that await us. ManagersForFuture calls for financing the transition to a net-zero economy through low-carbon energy, sustainable start-ups and a regenerative economy. It is absurd to invest in coal at a time where solar has become the cheapest energy form.

According to Energy Policy Tracker's analysis of the current recovery and stimulus packages of the G20 countries, these major economies have spent 50% more on sectors linked to fossil fuel production and consumption, than on low-carbon energy. To be more precise, they are spending $239.86 billion in support of fossil fuel energy ($52.31 per capita) and only $183.67 billion supporting clean energy ($40.05 per capita).

Public money commitments to fossil fuels, clean and other energy in recovery packages, USD billion, as of 13 January 2021



From a managers' point of view, that's strategically ill-spent money considering the need to invest in a future-proof economy that is resilient, sustainable and economically anchored. G20 countries should now radically change track and invest in a series of intervention areas: renewable energies, green technologies, climate change resilience, reforestation, biomaterials, sustainable and regenerative business models, sustainable leadership competencies and a thriving sustainable finance landscape.

Next to misdirected public investment, the barrier towards a net-zero economy also includes the financial sector. According to Portfolio Earth's report on global investment trends for 2019, „the world's largest banks invested more than USD 2.6 trillion (equivalent to Canada's GDP) in sectors which govern-ments and scientists agree are the primary drivers of biodiversity destruction." ManagersForFuture calls for sound criteria for sustainable finance (taxonomy), reporting transparency and comparability, consumer-oriented transparency (labels…) and adapting taxation to ESG performance. Badly performing companies should not have access to finance, unless they radically change their business model.

If we don't act now by investing in an economically sustainable future, we risk mass-insolvency once the recovery packages have run out. We don't want to imagine the domino effect this will have on the majority of companies. We have to make the recovery about innovation, sustainability and building an interconnected economy that can solve the challenges of the 21st century.