

Capital Action

Capital Action recognises the latent potential in London as a city rich in financial institutions, yet experiencing high levels of inequality and significant environmental issues. Whilst many organisations undertake activities specifically addressing these social and environmental concerns, recognising that investments are an equally vital arena for bringing public benefit is as yet underdeveloped.

Capital Action seeks to remedy this with **minimal burden to asset owners and maximum impact on the ground**. The project provides interested charity, faith, individual, and local government asset owners with regular and prudent opportunities to use their **voice as shareholders** of companies with major London operations. These companies' impacts on the capital may be negative, or indeed, may be latent positive impacts which simply need a nudge in the right direction.

"The concept of a pan-London approach is novel from an asset owners' point of view and could bring greater leverage... a combination of ShareAction's reputation and external expertise has the potential to effect significant change." Mike Kelly, Head of Corporate Social Responsibility, KPMG LLP

How does it work in practice?

By taking on the time and resource-intensive aspects of researching issues and entering into **constructive dialogue** with companies, ShareAction will facilitate the effective collaboration of London's asset owners to encourage best practice in the corporate sphere. The activities undertaken range from light to more intensive; from privately signing on to investor letters to companies requesting that they assess an aspect of their practices, to attending company Annual General Meetings and asking company boards' incisive questions in a public arena. Issues we have so far identified as salient include Living Wages, human trafficking, air quality, apprenticeships and housing.

Examples of activities:

Living Wages: London has high rates of inequality; paying Living Wages is one method of addressing this. Not only that, but research has shown that Living Wages bring business benefits, reducing absenteeism, increasing productivity, and improving retention. This makes it a perfect issue for investors, with both social and financial value in mind, to engage with companies about. We will work with investors to send collaborative letters to companies with major London operations, requesting that they consider becoming Living Wage employers. This isn't a long-shot: **this method of encouraging better business practice has already caused Legal & General, Aviva, HSBC and more to pay Living Wages**. By signing on to collaborative letters, investors help start a dialogue, leading to measurable impact in the end when companies decide that paying Living Wages is right for them.

Air quality: London's air pollution is at dangerous levels; Public Health England recently produced a report noting that 1 in 12 deaths in the capital are partially attributable to air pollution and the Mayor has committed to introducing an Ultra Low Emissions Zone. Investor engagement, facilitated by ShareAction, will work to encourage companies with major fleets of HGVs in London to consider emission reduction measures such that our air quality is improved not just by government efforts but by the private sector too.

Investors can [select which themes to be involved in](#) according to their organisational salience, and similarly can retain control over their degree of involvement. Raising concerns or pushing for best practice, and doing so [collaboratively to magnify impact](#), can make real change on the ground in our city.

“Responsible asset owners are at the important intersection between business and society. As investors they demonstrate their financial interest and support for a company. As active, engaged owners they can use their voice to help companies respond to the needs and expectations of the society that provides their implicit licence to operate. The end result is both a more sustainable platform for long term financial returns and a better society.” Loughlin Hickey, member of Core Working Group, Blueprint for Better Business

What can investors do now to be part of this?

We have prepared 4 letters to companies identified as having large operations in London and for whom investor letters on particular issues would be timely. We are seeking investor signatories to these letters (including local authority pension schemes, charitable trusts and foundations, faith investors, and high net worth individuals). They focus on 3 themes: Living Wages, human trafficking, and air quality. Once signatures have been gathered, we will send these letters to the companies and begin a dialogue with them about addressing the social and environmental issues identified. For further information about these letters and how to become a signatory, please contact Emily Kenway using the details below.

About ShareAction

[ShareAction](#) (formerly FairPensions) is the only UK charity dedicated to promoting responsible investment practices. Our theory of change recognises the importance of ensuring healthy returns for investors, whilst also acting to promote sustainable value by protecting the environment, addressing inequality, and upholding international human rights norms. [ShareAction will draw on nearly 10 years' experience working with asset owners](#) to ensure that Capital Action brings real benefits to Londoners.

To discuss [becoming a part of this innovative new initiative](#), please contact Emily Kenway at emily.kenway@shareaction.org or on 0207183 2461.