

ERIKA KARP, CHIEF IMPACT OFFICER

SEPTEMBER 2023

New York's [Climate Week](#), held annually and timed with the UN General Assembly sessions, transforms Manhattan into a massive meeting place of the minds. It draws climate experts, policymakers, corporates, advocacy groups, investors, and others to share collective insights, opportunities, challenges, and threats to the business community, society, and our planet.

This year's gathering was marked once again by a whirlwind of discussions. Key events were hosted by [The Climate Group](#), the [Clinton Global Initiative \(CGI\)](#), [Concordia](#), and dozens of others, including the Climate IQ Conference and sessions with [Ceres](#) and [As You Sow](#).

Having attended several of this year's premier events, we offer our take on key themes, as well as highlights from some of the more compelling discussions. For investors who are firm believers in (or curious about) regenerative and inclusive capitalism as a force for addressing our toughest global challenges, we've also included links to resources that may be of interest, including reports from several sustainability and climate-focused asset managers on Pathstone's investment platform.

Key Climate Week Themes

While the week's convenings addressed a broad range of topics, certain themes surfaced across almost every event:

- The climate crisis and the imperative to scale solutions that support a "just transition," with many speakers focusing on sustainable agriculture and food systems and driving capital to emerging economies.
- Artificial intelligence (AI) and digital transformation – opportunities, risks, and the challenges of governance that affect every sector and region of the world.
- Protecting democratic values, especially freedom of the press, in light of political polarization and the potential for generative AI to intensify conflict.

The extent to which AI was a dominant theme might seem surprising, but the Climate Week sessions made clear the connection of AI to every part of the global economy and to combating climate change. AI and even quantum computing deployed towards understanding and mitigating natural disasters and resource exploitation will be valuable in accelerating progress. Whether it's building models to understand the impact of ocean acidification or deforestation, or whether it's improving logistics and designs for fuel efficiency in transportation, AI will be a part of the fight against climate change. And with regard to soil health, we can use technology for regenerative farming and ranching in synchronicity with humanity. But first we need to understand that 50% of the carbon that was in the ground is now in the atmosphere, as highlighted in the recently released film [Common Ground](#).

As investors, our primary focus in terms of addressing climate change and its many corollary issues is on corporate behaviors. With this in mind, we were particularly interested in the Climate Week session hosted by [As You Sow](#). As the leader in advocating for corporate accountability through shareholder engagement, AYS took the opportunity to highlight their [2023 Shareholder Impact Review](#). CEO [Andrew Behar](#) reiterated the organization's goal of aiding investors in "moving their wealth and power to hold companies accountable rather than abdicating power."

Looking Ahead

As U.S. Presidential Envoy for Climate John Kerry stated at this week's CGI conference, "The global community can fight climate change...we need to raise ambitions in an accountable way." Citing the upcoming December 2023 [COP 28 meeting](#), to be held in Dubai, Kerry noted that participants will expect reporting on goals, gaps, adaptation plans, and will tackle the problem of financing the transformation. He added, "I spoke with CEOs and the [First Movers Coalition](#), and managers with \$11 trillion in managed assets this week. They are engaged in driving new technologies, battery storage, fusion, nuclear, sustainable shipping and aviation, green hydrogen, and driving transformation." The intensity and energy of the world's corporations behind these solutions was palpable.

Climate Week Observations

The climate crisis and the imperative to invest in a "just transition"

At the [TransitionIQ Climate Week Forum](#), a panel on "Uncovering Climate Risk & Opportunities in Institutional Portfolios" discussed the biggest opportunities, by asset class, for making a positive climate impact in an investor's portfolio, how climate scenario analysis is becoming embedded in analysis and reporting, and how investors are engaging with asset managers to provide more disclosure on climate-risks and opportunities as well as climate justice. Chavon Sutton of Cambridge Associates noted that when looking at private equity they seek general partners that "invest in systems, not silos" and that deep questioning during the due diligence process is needed to address issues of climate justice. In a panel later that day focused on how private market investments fit into investors' decarbonization targets, Elizabeth Lewis of Blackstone Infrastructure Partners said that despite the complexity, investors must focus on decarbonizing infrastructure, stating that "measuring GHG emissions is now table stakes for companies" and that investors need to see the carbon footprint over time.

At the Clinton Global Initiative conference, themed "Curiosity, Wonder and Awe," many sessions focused on specific challenges related to climate change, with an emphasis on partnership approaches and empowering communities to adapt. Key among these was food insecurity and the potential of sustainable and regenerative agriculture investments to address this most fundamental need.



[Reverend William Barber](#) set the tone in his address to the audience. In his pragmatic way, he argued that we must raise our voices for a moral and inclusive economy. He pointed out that it's not a scarcity of resources that causes food insecurity, but rather it's a "moral crisis" that we must address. The Reverend pointed out that poverty is the 4th largest cause of death in the U.S. ... higher than homicide. The solution is to have people at the center of policy.

A Concordia panel including executives from [Newman's Own](#) and [Coca-Cola](#) noted that 18% of U.S. children are food insecure. The Newman's Own Foundation and Coca-Cola are doing frontline work on access to nutrition, water, and sanitation. Newman's has 50 grantees across the U.S.— their strategy is to "find them, support them, get out of the way for bottoms up systems change." Coca-Cola sees sustainable ag as "underpinned by everything: water, climate, digital tech, communities."



With the confluence of these interconnected concerns, Concordia presented a dramatic conclusion: the threat to our very existence is real. We've never seen hurricanes in Brazil before. We've never seen thousand-year events occurring every year. Radical transformation is imperative now. [Foundation for Amazon Sustainability](#) shows that supporting prosperity in the region is the best way to protect humanity.

Both CGI and Concordia's sessions featured discussions of the roles of private sector, government, and nongovernmental organizations in effecting change. For instance, in a Concordia session titled "Mining for Sustainability," Jose Fernandez of the U.S. State Department described their role as "to help viable projects proceed for vulnerable communities, share financing, and adhere to the highest ESG standards." He noted, "Energy transition is a once in a generation opportunity. There is a false dichotomy between economic development and human rights."

Artificial intelligence, digital transformation, and the twin threats of misinformation and press suppression

As referenced above, the topic of artificial intelligence (AI) infused Climate Week agendas, lending either a sense of possibility or the specter of danger (and often both). While initially a bit surprising, the focus quickly made sense. With an overriding theme of governance, the implications of not having a framework for controlling the technology might be dramatically dangerous. But again, opportunities abound.

At the CGI, [Tom Ingelsby](#) of the [Johns Hopkins Center for Health Security](#) discussed the enormous upside potential AI in tackling public health challenges, from pandemic detection to drug discovery, manufacturing, and diagnostics. He was concerned, however, with "bias, ethics, workforce misuse." He, like several other speakers, cited the need for careful governance. [Kevin Scott](#), Chief Technology Officer of [Microsoft](#), discussed what AI can and cannot do, saying it's "unfortunate to call it intelligence, yet." Similarly [Aidan Gomez](#), a former researcher for Google and cofounder of AI firm [Cohere](#), cautioned that "Extrapolating is not the right approach" as it would send us in the wrong direction. There must be learning from and guidance of the developing technology.

Over at Concordia, [Ian Bremmer](#) from [Eurasia Group](#) interviewed [Mustafa Suleyman](#), co-founder and CEO of [Inflection AI](#) (and of [DeepMind](#) prior to that). Mr. Suleyman pointed out that given that the "negative externalities with AI are potentially enormous," most tech companies say they would sign up for a governance framework. Bremmer went on to say that there needs to be interdisciplinary panel on this, and AI companies must be accountable for materials created by their platforms. "Disinformation is coming faster than anything else. Delegitimization of our democratic processes is of key concern to national security."



In a panel on fighting misinformation and safeguarding information integrity, participants highlighted some positive ways AI could be used to combat misinformation and bias. The CEO of [Allsides](#), which presents media stories from the "left, right, and center" politically, said their goal is to enable readers to look at "different perspectives to decide for ourselves what's real." [Elizabeth Allen](#) of the U.S. State

Department echoed that sentiment, saying we “need something like Allsides to help make information empowering... to give people agency.” [Seekr Technologies](#) founder, [Pat Condo](#), discussed his goal of starting a company as an alternative internet search engine that “prioritizes transparency and empowers user choice and control by streamlining access to reliable information.” Seekr has built a “neural network (e.g. understanding cognitive biases) that allows us to separate the signal from the noise...”

[Melissa Fleming](#) of the UN addressed their recently announced plan to produce an internet code of conduct to combat misinformation and disinformation online. In discussing the concept of a global framework for digital information, she noted that “70% of our peacekeepers are saying that disinformation is damaging their efforts, threatening peace and security... Digital, tech, social media companies must invest more in truth and safety, become more transparent, call on advertisers to be conscious and consider their own brand associations.” She added, the “capacity for AI to erode trust is enormous.”

Former U.K. Prime Minister Tony Blair, now head of the [Tony Blair Institute for Global Change](#), and [Kolinda Grabar-Kitarović](#), former President of Croatia, appeared in a fireside chat to discuss the role of technology and the need for effective government strategies to harness its potential for positive change.

“Change makers and policy makers live in separate worlds. In the 21st century technology will transform the state. And AI will evolve and reshape the state of democracy. “If you can't govern it, you can't harness it.” Right now, he said, “AI is like someone of average intelligence with 300,000 years of information.” How would that likely be processed and interpolated? We “need to regulate through the harm, but we don't want to stifle the innovation.”

And in the powerful closing session of the CGI, there was a discussion of the utmost importance, with the key theme that “without journalism, there can't be democracy.” We heard about the detention in Russia of journalist Evan Gershkovich, whose incarceration is argued to be an “assault on democracy.” [Almar Latour](#), CEO of [Dow Jones](#) and publisher of [The Wall Street Journal](#), said “Evan is caged like an animal for doing his job.” Right now, he is awaiting Russian charges. “An entire authoritarian system is mobilized around him.”

To emphasize its importance, CGI announced a new commitment: the [Internews Emergency Fund for Independent Media](#). Secretary Hillary Clinton cited the urgency of defending free and honest journalism, pointing out that half of the 67 journalists killed last year were in Latin America. And crime and corruption by state actors are targeting journalism for highlighting climate attacks, deforestation, poaching. There must be a high price for this. The link between journalism and trade and commerce needs to be acknowledged and strengthened. “Without freedom of press, there's no free society.”

Concluding Thoughts: Stewardship

We wrap up our comments with thoughts on Stewardship. It's stewardship of our planet, stewardship of our human race, and stewardship of our businesses that will help to drive a more regenerative and inclusive global economy. Even as many Climate Week participants sounded full-throated alarms at the escalating evidence of climate-related damage and even destruction of communities and resources, the powerful efforts of Concordia, CGI, leading corporate voices, and long-term focused investors are working to address the concerns with AI, sustainable agriculture, unbiased journalism, etc. that the conference focused on this year.

Resources

Event replays:

[Concordia Annual Summit 2023](#)
[Clinton Global Initiative Meeting 2023](#)
[TransitionIQ Climate Week Forum](#)

Tools and initiatives:

[Environmental Defense Fund, Net Zero Action Accelerator](#)
[Internews Emergency Fund for Independent Media](#)

Pathstone manager materials:

[Acre Venture Partners](#) selected portfolio companies:

- <https://www.bonsairobotics.ai/> (AI & robotics focused on farm equipment, solving for labor shortages, striving to reduce costs and thereby improving access to nutritious foods)
- <https://www.loambio.com/> (Microbial tech that improves crop yields and helps to sequester more carbon in more permanent structures – soil health, productivity and carbon drawdown)
- <https://www.planetfwd.com/about> (Carbon footprint tracking and management)
- <https://source.ag/> (AI powered greenhouse operating system)

[Generations - Sustainability Report 2023](#)
[Breckinridge Capital Advisors - ESG Newsletter: Climate Week 2023](#)
[Ecosystem Integrity Fund - Annual 2022 Report](#)
[SJF Ventures - Wayfair AI Investment](#)
[Energy Impact - 2023 Impact & ESG Performance Report](#)
[New Energy Capital -](#)
 [2021 NEC Impact Report](#)
 [2022 NEC Impact Report](#)
[North Sky Capital - Impact Report 2023](#)

Disclosures

This presentation and its content are for informational and educational purposes only and should not be used as the basis for any investment decision. The information contained herein is based on publicly available sources believed to be reliable but is not a representation, expressed or implied, as to its accuracy, completeness or correctness. No information available through this communication is intended or should be construed as any advice, recommendation or endorsement from us as to any legal, tax, investment or other matters, nor shall be considered a solicitation or offer to buy or sell any security, future, option or other financial instrument or to offer or provide any investment advice or service to any person in any jurisdiction. Nothing contained in this communication constitutes investment advice or offers any opinion with respect to the suitability of any security, and this communication has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient. Past performance is no guarantee of future results. Additional information and disclosure on Pathstone is available via our Form ADV, Part 2A, which is available upon request or at www.adviserinfo.sec.gov.