





## Ábyrgar fjárfestingar til farsællar framtíðar

Fimmtudaginn 15. febrúar kl. 8:30 – 10:15

Hilton Reykjavík Nordica

**Opnunarávarp** – Hrefna Sigfinnsdóttir, stjórnarformaður IcelandSIF

**Kynning á NorSIF** – Pia Rudolfsson Goyer, stjórnarmaður hjá NorSIF

**Kynning á PRI** – Yulia Sofronova, Head of Nordic, CEE & CIS hjá Principles for Responsible Investment

**Innleiðing Deutsche Bank á viðmiðum um ábyrgar fjárfestingar** – Roelfien Kuijpers, Head of Responsible Investments and Strategic Relationships hjá Deutsche Asset Management

**Pallborð** – Frummælendur auk Kjartans Smára Höskuldssonar, framkvæmdastjóra Íslandssjóða og Óla Kristjánssonar, sérfræðings í eignastýringu Arion Banka

# Presentation for Iceland SIF, Reykjavik

15 February 2018

Pia Rudolfsson Goyer



## Purpose and vision

- Independent professional forum that promote knowledge about and contribute to the development of the area responsible and sustainable investment.
  - Norsif should be a forum that helps members to develop each other and the industry within the area.
  - The vision is that responsible and sustainable investment activities become standard for all players in the Norwegian financial industry.
  - That the Norwegian financial industry is in the forefront regarding this area internationally.
- 
- Priorities and focus areas follow from the interests and commitment of members.

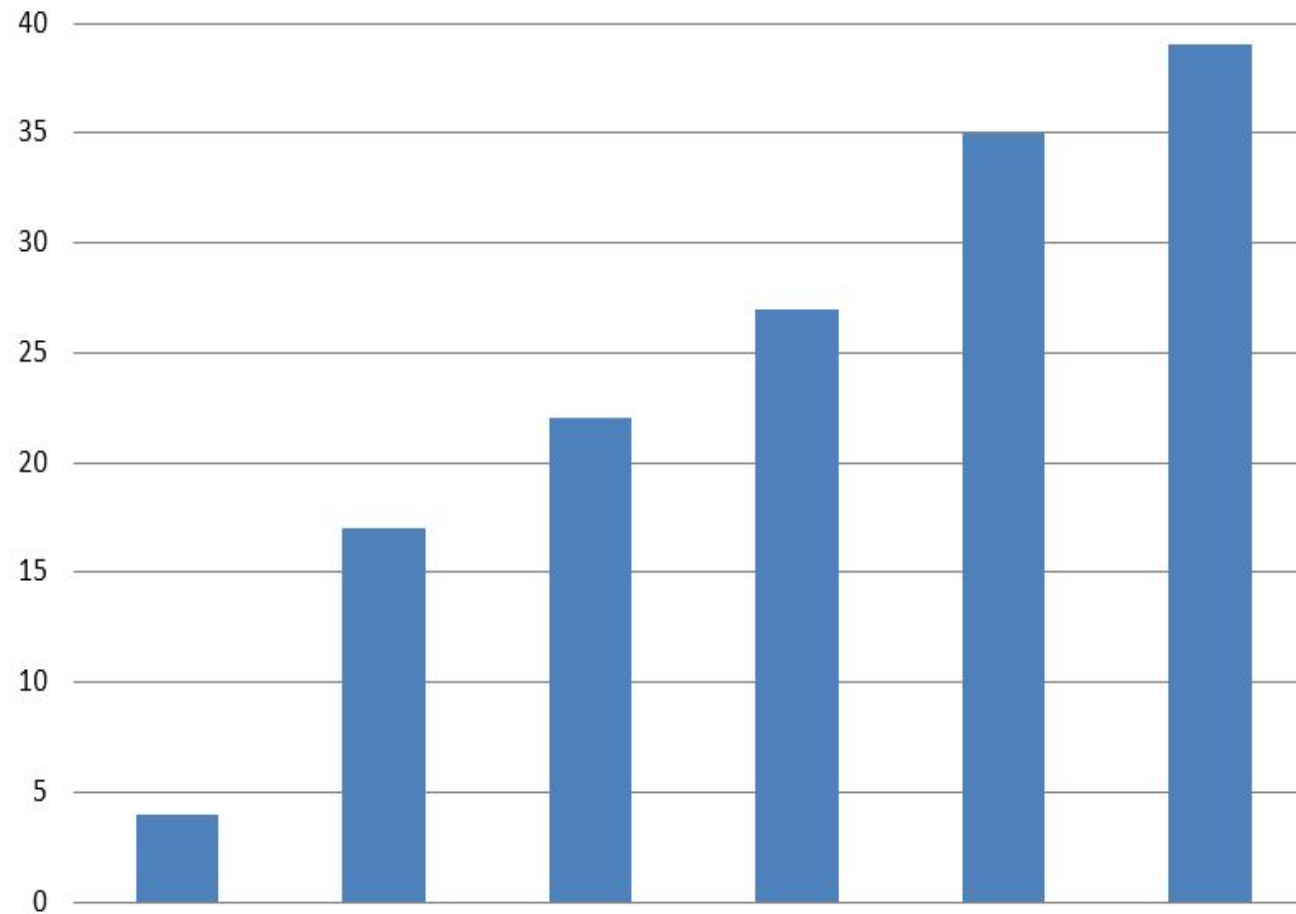
## What does membership mean?

- NORSIF does not set requirements to the members' strategy, level or competence.
- Expect members to contribute in making Norsif the network and forum it's supposed to be.
- By participating in committees, members share and build competence.

## Independence

- Must be neutral and must not promote special interests or strategies.
- Membership in the association does not commit to specific attitudes about or to preferred strategies.
- Should not issue consultation statements or express themselves normatively on behalf of the association.

## From 4 til 39 members in 4 years



# norsif

Norsk forum for ansvarlige og bærekraftige investeringer



HolbergFondene

Handelsbanken



CENTRAGRUPPEN AS



NORGES BANK  
INVESTMENT MANAGEMENT



OSLO PENSJONSFORSIKRING

Pareto  
Asset Management



CARN CAPITAL



FINANSDEPARTEMENTET



MP Pensjon



DWC



Folketrygdfondet



SPAREBANKSTIFTELSEN DNB



responsAbility



skandia:banken



Cultura  
Bank



UNIFOR



storebrand



SUSTAINALYTICS

Statnett

Pensjonskasse

MSCI



MSCI ESG  
RESEARCH INC.

- In the starting phase
  - Have no or few measures in place. Often start with establishing exclusion criteria linked to GPF.
- Well under way
  - Have a combination of several tools, for example active ownership, exclusion and/or do investments with a sustainability focus.
- The frontrunners
  - Have several approaches, ESG-analyses are systematically integrated in investment decisions.
  - Visible in public debate, take an active part in different initiatives to push industry standards.



# Working groups



# Academia group

Focus on teaching responsible and sustainable investment

## **Actions**

- In 2017 - a follow up survey of the one made in 2014
- Workshop with universities and governmental bodies, research organizations, students and NGO's

## **Finding from the survey in 2017:**

- Increased need for relevant expertise in public and private sector
- Discrepancy between actual and experienced demand
- All Norwegian business schools offer indirectly relevant subjects
- Greater variety of relevant sustainability teaching themes than in 2014
- Positive development in the offering of the theme, despite full curricula and lack of requirements

## **Result from workshop:**

- The theme should be integrated into relevant compulsory subjects at all levels
- A separate subject, preferably a compulsory subject, should also be created
- Teaching should cover all approaches from the ethical to the return drive
- Teaching should be both theoretical and case-based

## **Action Plan - Building Competence:**

- Dialogue with the council responsible for the curricula
- Dialogue with leaders at educational institutions to ensure progress
- Building bridge between the industry and academia
- Explore opportunities for increased research

## Nordea-sjefen: – Norske økonomistudenter kan for lite om bærekraft

HANNE CHRISTENSEN JOURNALIST

OPPDATERT: 04. AUG. 2017 11:02 | PUBLISERT: 02. AUG. 2017 21:30

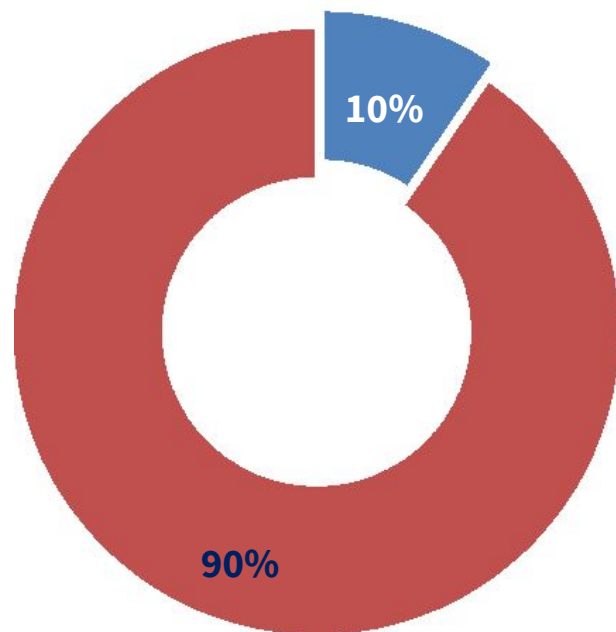


Stigene Størset, administrerende direktør i Nordea, etterlyser bedre kompetanse på bærekraftig investeringsskemaet. Bildet er tatt i går.  
FOTO: Jan Olav Færevik, NTB Scanpix

En ny rapport hevder at økonomiutdanninger henger etter med undervisning om ansvarlige investeringer. Nordea-sjefen sliter allerede med å rekruttere riktig kompetanse.

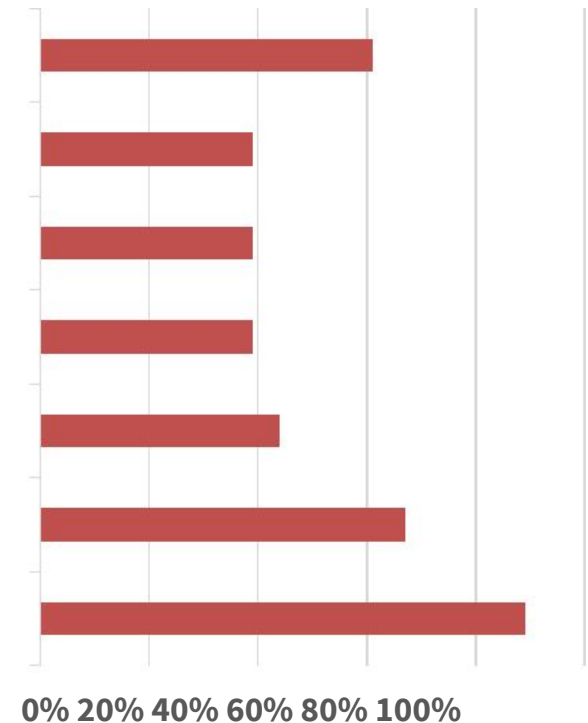
# Most respondents report a need for employees with knowledge of sustainable and responsible investment

Is there a need in your company for employees with knowledge of SRI? What SRI-related competencies are most relevant to your company?



No  
Yes

Active ownership  
Influencing market standards  
Sustainability themed investments  
Impact investing  
Best-in-class (positive screening)  
Exclusion (negative screening)  
Integration of ESG in financial analysis



# ESG-integration

## Purpose?



- **Map** how Norsif members integrate ESG in analysis of Norwegian equities, and identify corresponding information needs
- Use the results as a starting point for future work and initiatives

## Status?



- **Conducted survey** among Norsif members on ESG-integration practices
- **Developed report** on ESG integration practices for Norwegian listed equities based on the survey findings
- The report was launched at a Norsif event in June 2017 and key findings were discussed



# Committee for active ownership

Committee established in the summer of 2017.

## Mandate

The working group will promote knowledge about and contribute to the development of the field of ownership exercise on issues related to sustainability / ESG.

## The group's tasks

Contribute to developing and promoting knowledge and good practice, for example:

- importance of ownership exercise on sustainability / ESG themes
- what impact one can have as an investor
- how active ownership affects markets

Drive with active ownership exercise focusing on:

- Issues rather than specific companies.
- Companies internationally and in Norway
- To influence industry to report better on material ESG indicators (GRI / TCFD)

# Committee for Communication and Membership

## Actions:

- Send out newsletters
- Start-up meetings with new members together with the chairman
- Update web pages
- Create Twitter and LinkedIn account and followed up these
- Media contact
- Distribution of "Responsible Investment Guide" and "Guidance on Corporate Responsibility Reporting" from Oslo Stock Exchange and Norsif.



# The organizing committee

Norsif as an important facilitator and coordinator for setting up seminars.

Examples of collaboration partners:

Norwegian Government Pension Fund, UN PRI, Oslo Stock Exchange, Greenpeace, OECD, University of Cambridge and Finance Norge.



# Action Plan 2017/2018

- Gather input from the members on hot topics (annually)
- Create more visibility in the media
- Create a strategy for communication of the various Norsif activities in cooperation with the different committees
- Develop the web pages further
- Visualize surveys and reports, such as: «Responsible Investment Guide» and the survey about education
- Cooperate with other relevant organizations when needed to achieve impact on selected areas



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# Principles for Responsible Investment

Yulia Sofronova, Head of Nordic, CEE & CIS



Iceland SIF  
15 February 2018

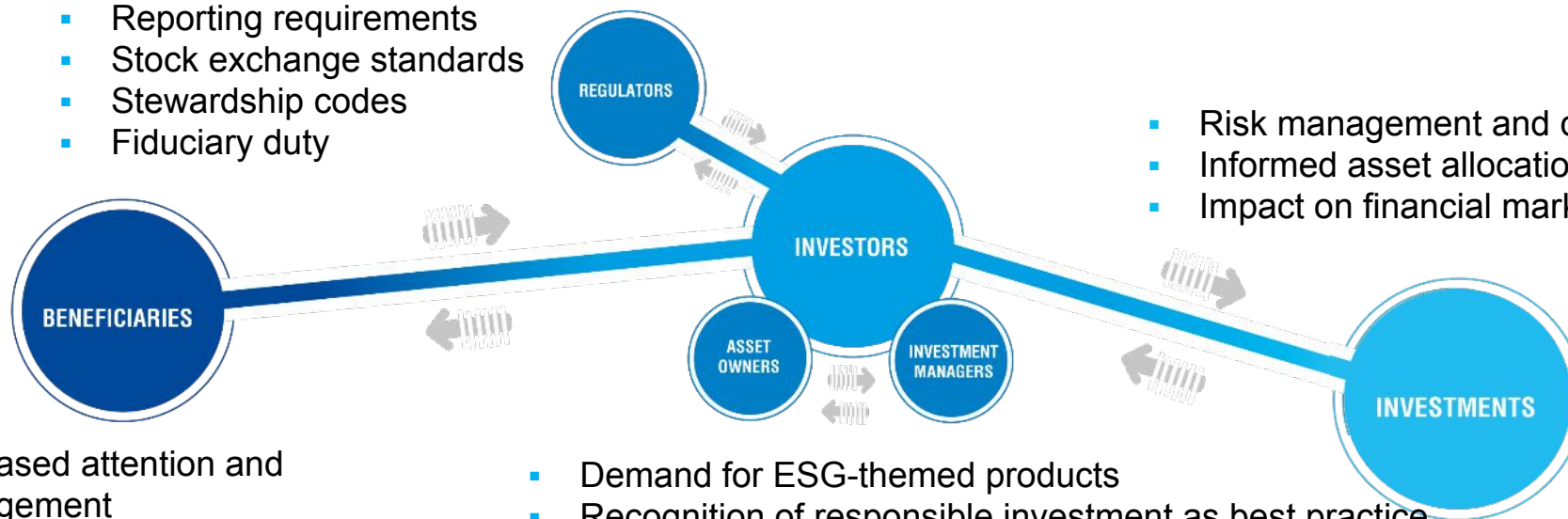


**United Nations**  
Global Compact

*An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact*

# Today's Sustainability Imperative

- Reporting requirements
- Stock exchange standards
- Stewardship codes
- Fiduciary duty



- Risk management and due diligence
- Informed asset allocation
- Impact on financial markets and society

- Increased attention and engagement
- Demand for ESG-themed products
- Ethical motivations
- Focus on solid, long-term returns

- Demand for ESG-themed products
- Recognition of responsible investment as best practice
- Competitive advantage
- Ethical motivations
- Reputational risks and opportunities
- Enhanced staff satisfaction



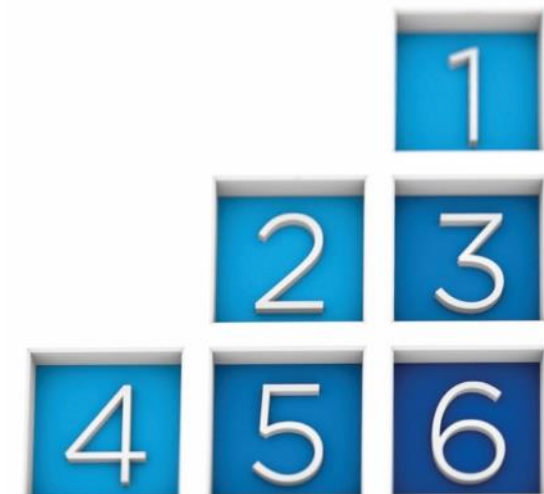
# Principles for Responsible Investment (PRI)

Investor-led, supported by the United Nations



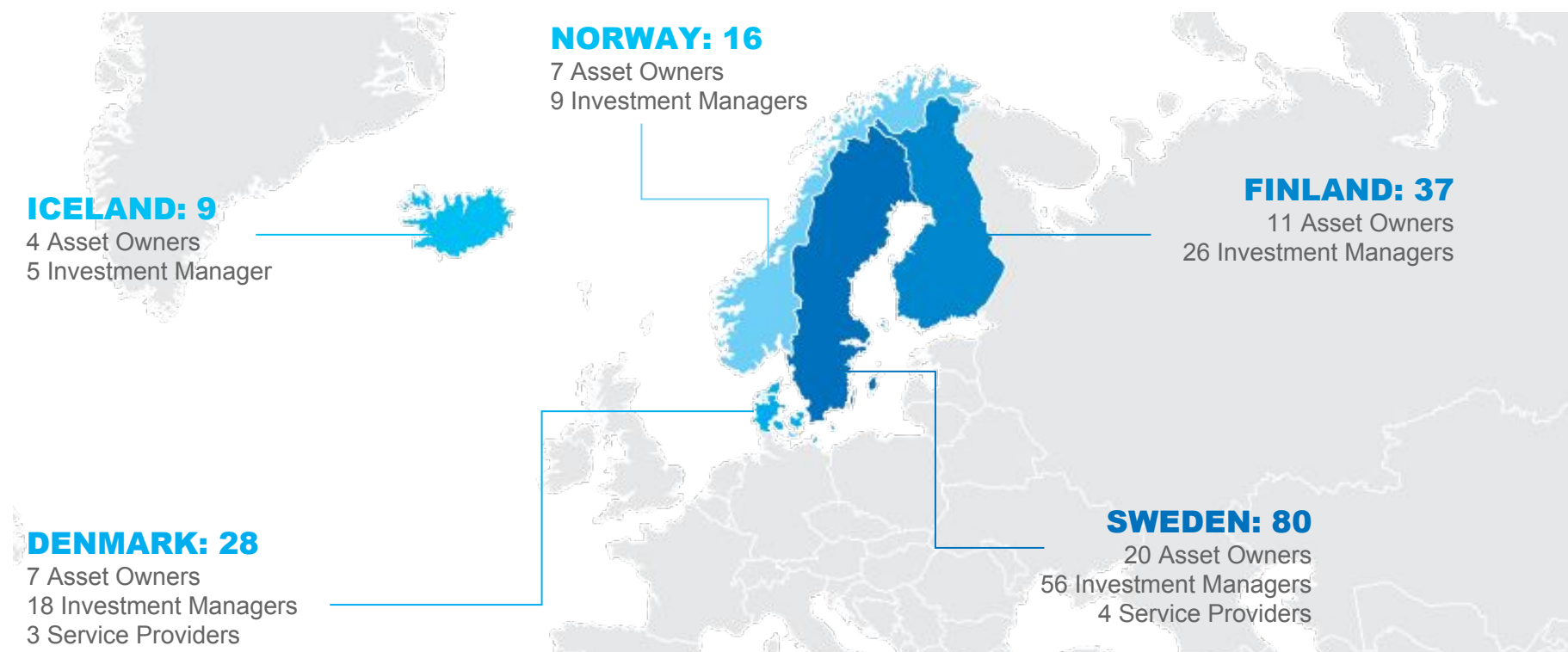
- 1 We will incorporate ESG issues into investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.



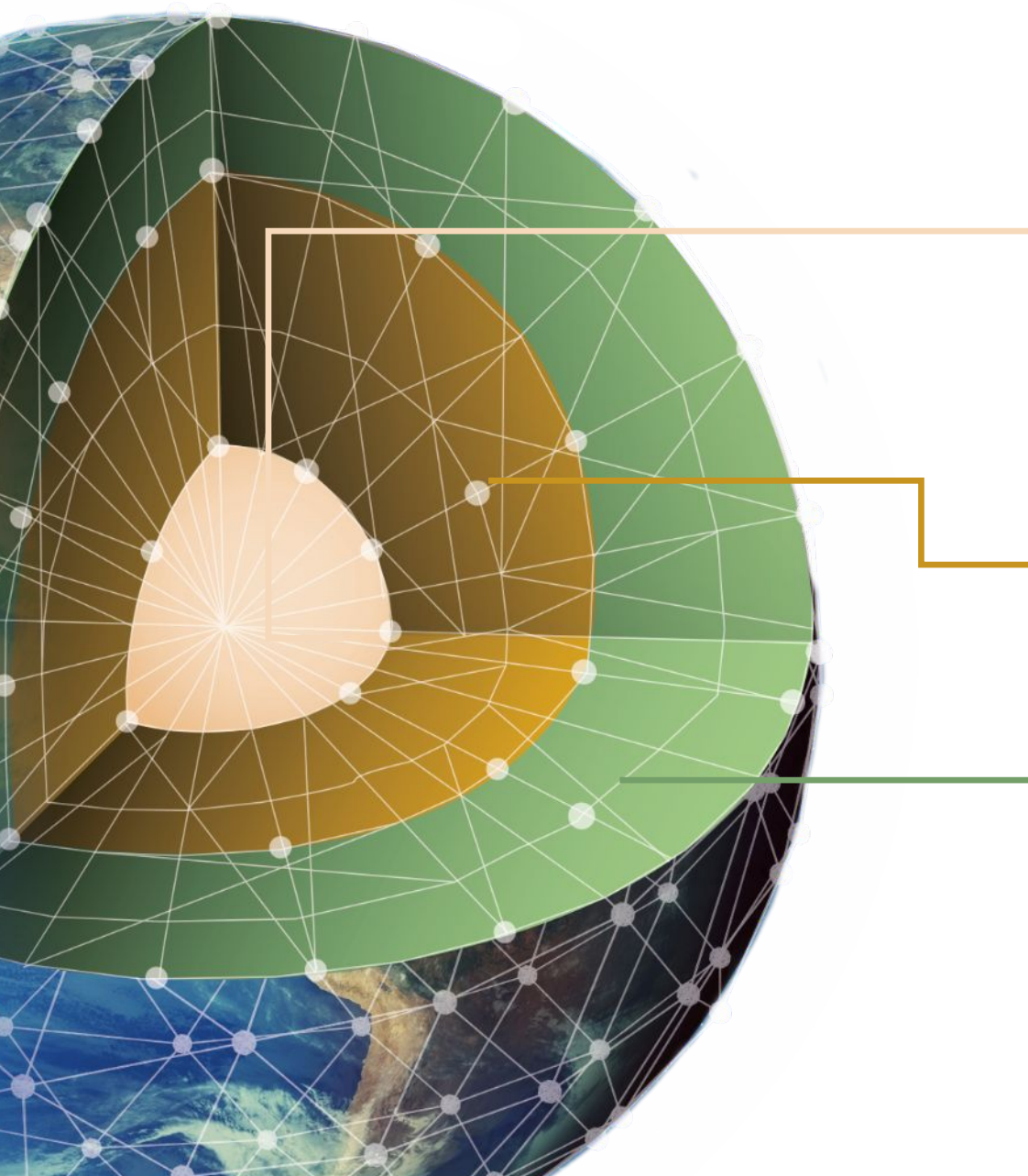
# PRI Nordic signatories

170 Nordic investors (9% of global signatory number) joined the PRI





# The Blueprint vision



## Responsible investors

- Empower asset owners
- Support investors incorporating ESG issues
- Create an industry of active owners
- Showcase leadership and increase accountability
- Convene and educate responsible investors

## Sustainable markets

- Challenge barriers to a sustainable financial system
- Drive meaningful data throughout markets

## A Prosperous world for all

- Champion climate action
- Enable real-world impact aligned with the SDGs



# PRI services

## How PRI supports signatories

- **Integrate the Principles** into your investment process
- **Investment Practices**

- Asset class specific support

- **Join forces with your peers** to engage investees
  - **ESG Engagements**

- Collaborative engagement

- **Challenge barriers** to ESG integration
  - **Policy**

- Creating a supportive framework for RI

- **Keep up with insights**, evidence and best practice
  - **Academic Research**

- Academic network and research led events

- **Measure and communicate progress**
  - **Reporting & Assessment**

- Strengthening ESG capacity & evaluating progress

- **Stay in touch** with the PRI and your peers

- **Global Networks & Outreach**

- Active, regional PRI-client relationship

- **Educate staff** on ESG issues

- **PRI Academy**

- CFA accredited RI training

### YOUR AIM



### PRI TEAMS



### PRI SERVICES



# Responsible Investors

## Investment practices resources



More available at <https://www.unpri.org/about/pri-teams/investment-practices>

# Responsible investors

PRI Data Portal - largest global database of responsible investment data



## OVERVIEW: AUM DISTRIBUTION BY ASSET CLASS

### Signatory type

- ☒ Asset owners
- ☐ Investment managers

### Managed

- ☐ Internally managed
- ☐ Externally managed

### Region

- ☐ Asia
- ☐ Australia & New Zealand
- ☐ Emerging, frontier & other
- ☐ Europe
- ☐ US & Canada

### Asset class

- ☐ Listed equity
- ☐ Fixed income - SSA
- ☐ Fixed income - corporate (financial)
- ☐ Fixed income - corporate (non-financial)
- ☐ Fixed income - securitised
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Cash
- ☐ Other

### ASSET OWNER ASSET ALLOCATION

Asset owners (AOs) account for US\$ 14.5 trillion or 20% of all reported AUM in 2017. Nearly 60% of those assets are invested in listed equity (30%) and fixed income SSA (29%). Another 17% is in corporate bonds and the rest is split between property, private equity and cash assets.

Asset allocation varies regionally. While fixed income SSA was the largest asset of the total European, Latin American and Asian AUM, the predominant asset in other regions was listed equity (as much as 53% of the total African AUM reported). Asia and Latin America had the highest proportion of fixed income SSA, accounting for nearly 45% of the total regional reported AUM. North

### INTERNALLY VS EXTERNALLY MANAGED ASSETS

AOs are increasingly managing their assets internally (60% of the \$US 14.5 trillion reported in 2017), challenging the assumption that most of AOs' assets is managed by investment managers (IMs).

Regionally, Europe has the highest proportions of internally managed listed equity assets (59%), while 83% and 87% of the total Asia, Australia and New Zealand AUM is managed externally. This varies among assets, with all regions managing most of their fixed income securitised internally (63%) while the



## RESPONSIBLE INVESTMENT STRATEGY

### Region

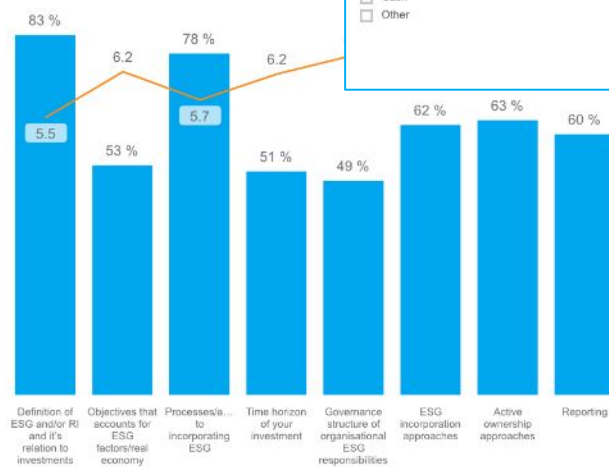
- ☐ Asia
- ☐ Australia & New Zealand
- ☐ Emerging, frontier & other
- ☐ Europe
- ☐ US & Canada

### Investment strategy

- ☒ Policy components
- ☐ Average number of components

### Asset owner type

- ☐ Non-corporate pension\*
- ☐ Corporate pension\*
- ☐ Insurance company
- ☐ Foundation
- ☐ Endowment & family
- ☐ Reserve - controlled fund\*
- ☐ Other



## OVERVIEW: MAP OF AUM DISTRIBUTION BY ASSET CLASS

- ☐ Asset owners
- ☐ Investment managers

Looking for more data? Throughout the report, you can see number supporting these figures by right clicking on the charts and selecting "see data".



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PRI Principles for Responsible Investment DATA PORTAL

# Responsible investors

PRI Collaboration Platform – main hub for collaboration, networking and learning

Within the platform you can:

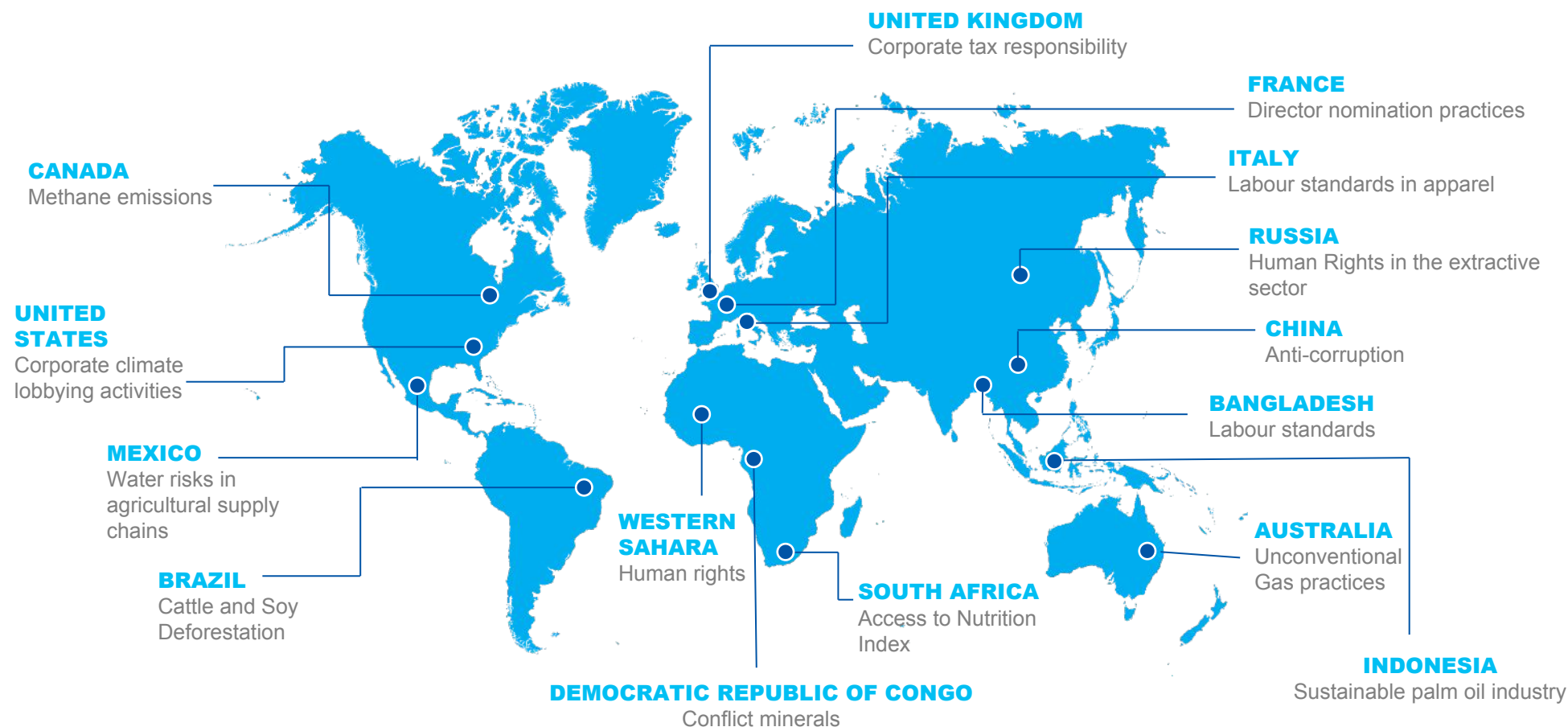
1. **Submit your proposal for collaboration**
2. **Check recent updates on initiatives and view all posts**
3. **View upcoming deadlines, and see supporting and lead investors already involved in new projects**
4. **Share files with other group members of the group on a confidential basis**
5. **Submit your resolutions to look for co-filers or votes in favour, and search for specific resolutions based on AGM date, topic or target company**





# Responsible investors

More than 600 investors involved in over 1000 projects on the PRI Collaboration platform



# Responsible investors

Collaborative engagements coordinated by the PRI

## UPCOMING ENGAGEMENTS

- TCFD-aligned disclosure\* (early 2018)
- Deforestation – soy (Q2 2018)
- Anti-corruption (early 2018)

## OPEN TO JOIN

- Deforestation – cattle supply chains
- Oil and gas transition \*
- Water risks phase 2 (from Feb 2018)

\* Part of Climate Action 100 + initiative

## ONGOING ENGAGEMENTS

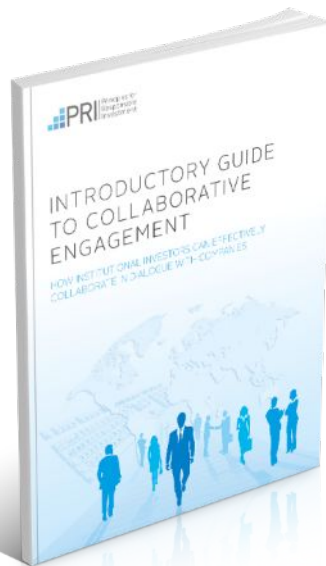
- Sustainable palm oil
- Methane
- Cyber security
- Corporate tax responsibility
- Labour practices in agricultural supply chains

*For more information contact [collaborations@unpri.org](mailto:collaborations@unpri.org)*



# Responsible investors

## ESG Engagements resources



### INTRODUCTORY GUIDE TO COLLABORATIVE ENGAGEMENT

*This guide is designed to provide a practical introductory guide on engaging collaboratively with listed companies on environmental, social and governance (ESG) issues.*

More resources at <https://www.unpri.org/about/pri-teams/esg-engagements>



### ENGAGING WITH OIL AND GAS COMPANIES ON FRACKING (JANUARY 2017)

*The investor guide addresses the fracking risks that are of concern to investors, namely: operational and physical risks; methane and other greenhouse gas emissions leaks; reputational risk and social license to operate; and policy and regulatory risks.*



### ENGAGEMENT GUIDANCE ON CORPORATE TAX RESPONSIBILITY (NOVEMBER 2015)

*This guide discusses why and how to engage with companies on their tax practices, including a list of red flags to look out for in identifying which companies to engage with and a list of suggested questions to choose from when holding discussions.*



### ENGAGING ON ANTI-BRIBERY AND CORRUPTION: A GUIDE (JULY 2017)

*The guidance presents findings from a PRI coordinated engagement that took place between 2013 and 2015, which involved 34 investors with US\$2.7 trillion of assets under management working together to engage 32 multinationals on their anti-bribery and corruption policies and systems.*

# SUSTAINABLE MARKETS

## Challenge barriers to a sustainable financial system

The Sustainable Financial System (SFS) programme addresses key risks and challenges in the financial system. In 2018 we are launching a number of priority projects – **three of which are already underway:**

### INVESTMENT CONSULTANT SERVICES REVIEW

The work stream aims to ensure that sustainability issues are properly integrated into the advice being offered by asset consultants and used by asset owners



[Investment consultant services review report](#)

### MACRO-ECONOMIC RISKS

The objective of this work is to explore long-term macroeconomic risks how these will impact investors and the financial system



['Responding to megatrends: PRI and WTW investment institutions trend index 2017'](#)

### TRUSTEE READINESS FOR A SUSTAINABLE SYSTEM

We have developed a framework to ensure that sustainable system consequences are discussed at board meetings



PRI Academy launches its first trustee training course on responsible investment. More details on the syllabus and how to sign up can be found at [www.priacademy.org/courses](http://www.priacademy.org/courses)



# A PROSPEROUS WORLD FOR ALL

## Champion climate action through climate disclosure (TCFD)

The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) published **recommendations in June 2017** to foster comparable, clear, consistent and reliable information to better understand how organisations assess climate-related risks and opportunities

### How to get involved:

1. **Drive implementation** by disclosing against TCFD through the PRI Reporting Framework - PRI webinars, reports and one-to-ones to explain how to participate in the climate reporting pilot
2. **Strengthen internal capabilities**, demonstrate good practice and help develop the investment community's response to the TCFD guidance
3. **Get more informed on regional relevance of TCFD recommendations** through the [publication of country reviews](#) with Baker McKenzie
4. **Join PRI-led engagements** on TCFD-aligned climate disclosure and oil and gas capex risks



# A PROSPEROUS WORLD FOR ALL

## Champion climate action – Climate action 100+

Five- year investor-led initiative to engage more than 100 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change risks



**225+**

INVESTORS SIGNED UP



**26+**

US\$trn

ASSETS COMMITTED



*“As institutional investors and consistent with our fiduciary duty to our beneficiaries, we will work with the companies in which we invest to ensure that they are minimising and disclosing the risks and maximizing the opportunities presented by climate change and climate policy.” (Global investor statement on Climate Change – issued in the lead up to the Paris Agreement 2015)*

More information on how to join the initiative can be found at [www.climateaction100.org](http://www.climateaction100.org) or contact [ben.pincombe@unpri.org](mailto:ben.pincombe@unpri.org)

# A PROSPEROUS WORLD FOR ALL

Enable real world impact aligned with the SDGs

## PRI five point work plan:

1. **Investment case – why should investors care about the SDGs** (published September 2017)
2. **Landscape map – what is the investment world already doing on the SDGs** (published December 2017)
3. Reporting on the SDGs – SDG self-assessment tool (Q2 2018)
4. SDGs and asset allocation – how to integrate SDGs in asset allocation (Q3 2018)
5. SDGs and active ownership – how to engage with companies on the SDGs (Q3 2018)



# PRI Academy

Educate staff on ESG issues

**CFA-accredited online training** for your staff on how ESG issues impact company performance, shareholder value and investment decisions.

Courses feature content from international experts, real and hypothetical case studies and financial modelling. The PRI Academy has enrolled in excess of 1,500 candidates from over 225 investment organisations in more than 40 countries.



*"The PRI Academy is a particularly well put together course, and it is helping us better understand how we can integrate ESG issues into our investment frameworks."*

**Sovereign, New Zealand**

*"The PRI Academy is the gold standard and unique in the marketplace."*

**Colonial First State Global Asset Management, Australia**



## RI Fundamentals

Three-hour introduction to the basic tenets of responsible investment

## RI Essentials

Comprehensive examination of responsible investment from theory to practice

## Enhanced Financial Analysis

In-depth look at using sustainability data in fundamental investment analysis

**Every course is delivered entirely online – work wherever and whenever suits you.**

# PRI IN PERSON 2018

## 12-14 September

**San Francisco Marriott Marquis**

- The Global Climate Action Summit will also be taking in San Francisco on these dates
- The conference is once again expected to sell out in 2018, so to avoid disappointment we recommend securing your place now.
- To apply for your place visit [www.unpri.org/SanFran2018](http://www.unpri.org/SanFran2018)

FOR MORE INFORMATION CONTACT

[EVENTS@UNPRI.ORG](mailto:EVENTS@UNPRI.ORG)



# THANK YOU

## CONTACTS:

Yulia Sofronova, Head of Nordic, CEE & CIS

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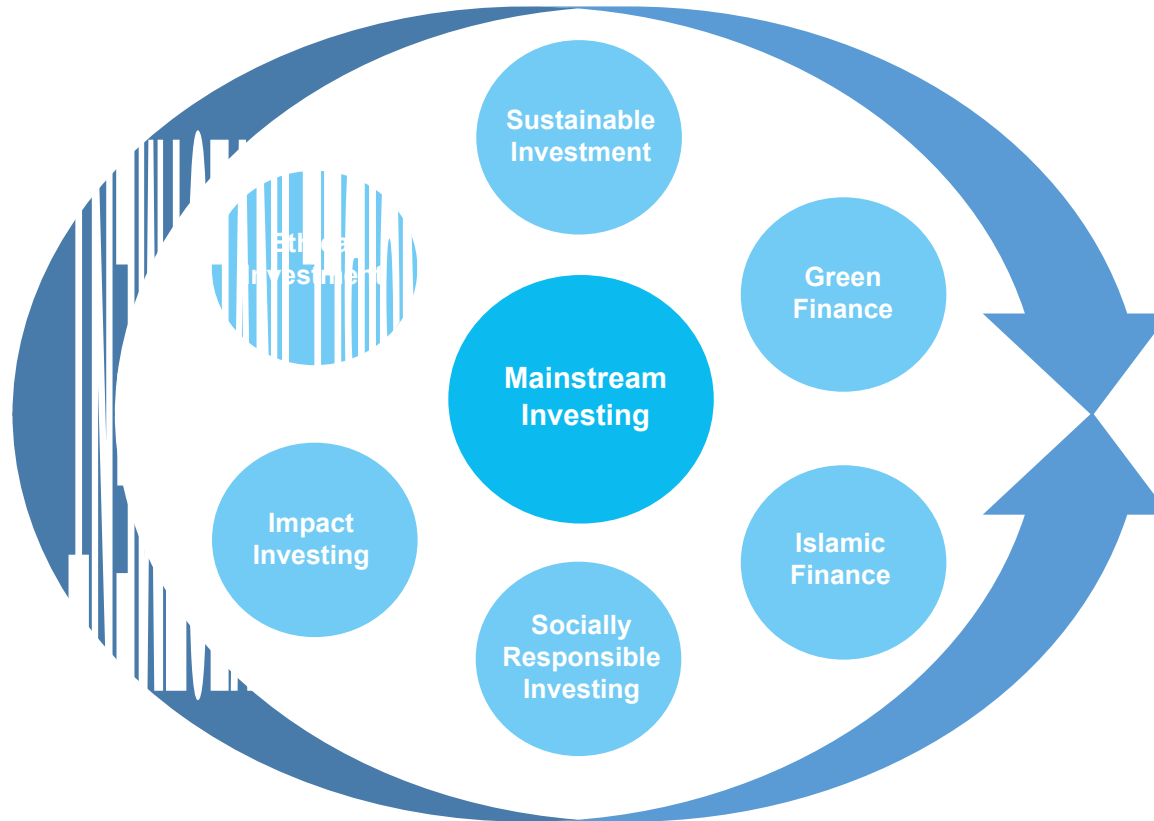


# Appendix

- **Definition of responsible investment**
- **Approaches to responsible investment**
- **PRI signatory minimum requirements**

# Responsible Investment

Incorporates “value” and “value-based” investing



**Responsible investment** is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.



# Approaches to Responsible Investment

## ESG INTEGRATION

## ESG INCORPORATION (OTHER)

## ESG ENGAGEMENT

**ENVIRONMENTAL** – e.g. water management, greenhouse gas emissions, renewable energy etc.

**SOCIAL** – e.g. labour standards, freedom of association, controversial business practices, talent management etc.

**GOVERNANCE** – e.g. corporate governance issues, bribery, corruption, lobbying activity etc.

# Responsible investors

## Increased accountability

### From consensus to implementation

- Consensus from signatories on need for increased transparency and accountability
- Majority support for delisting signatories who are not committed to the Principles
- Minimum requirement process will be in effect for the 2018 reporting cycle

### Delisting: minimum requirements

- Objective, criteria-based approach:
  - ✓ Investment policy that covers the firm's responsible investment (RI) approach
  - ✓ Internal/external staff responsible for implementing RI policy
  - ✓ Senior-level commitment and accountability mechanisms for RI implementation
- Watch list – not published
- Two years to improve
- Appeals process

*More information including accountability FAQs and consultation responses can be found at [www.unpri.org/report/accountability](http://www.unpri.org/report/accountability)*



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