Agenda item 3. Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies

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Non-Financial Reporting – an investor perspective

Sora Utzinger, SRI Analyst

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There is a strong regulatory pressure on us and our clients.

The regulatory pipeline is substantial. It’s already impacting us and our clients and has the potential to accelerate the disruption.
ESG investing relies on Non-Financial Reporting.
Example: ESG factors impacting a Packaging company

Data sources
- TCFD reports
- CDP disclosure
- Integrated annual report
- Sustainability report
- Data providers (e.g. MSCI, SustainAlytics)
- Bloomberg

- Carbon emissions
- Corporate governance
- Packaging material & Waste
- Water stress
- Raw material sourcing
- Labour management
Investment process – where NFI matters

- **Screening**: Negative/positive screening
  - Best-in-class, worst-in-class approach

- **Research**: Documented proprietary research of all fundamental, economic and ESG factors material to the investment case

- **Valuation**: Portfolio construction: bottom-up selection ranked by conviction/risk

- **Stock list**: Continuous monitoring of portfolio ESG risk, feeding into investment case and valuation upside for all stocks we hold
Thank you
Challenges in making NFI decision-useful