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PRESS RELEASE

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New framework helps investors disclose their contribution to the UN Sustainable Development Goals

CAMBRIDGE, UK (16 May 2016)

As governments around the world begin implementing a global set of Sustainable Development Goals (SDGs), a new report launched by the Investment Leaders Group (ILG) provides tools for investors to disclose long-term value.

“Investors are almost blind when it comes to understanding the social and environmental impacts of their portfolios,” says Dr Jake Reynolds, from the [University of Cambridge Institute for Sustainability Leadership](#) (CISL), which convenes the ILG. “This report addresses that head on: a means of reporting impacts to beneficiaries.”

Philippe Zaouati, ILG Chair and CEO of Natixis Asset Management’s wholly owned subsidiary dedicated to responsible investment, Mirova, adds “It would not be an overstatement to say that if the proposals in this report were implemented, the investment industry would be making a step change in its contribution to sustainable development.”

The [report](#), “*In search of impact: Measuring the full value of capital*”, enables investors to calculate and communicate on their funds’ contribution to six environmental and social themes distilled from the recently adopted UN Sustainable Development Goals (SDGs). “The group has prepared this framework to help the industry understand and report on the social and environmental impacts of investment funds,” says Hervé Guez, Director of Responsible Investment Research at Mirova. “In this way, investors can reflect their contribution to sustainable development in their decision-making.”

By applying the framework, the investment industry will empower savers (their ultimate clients) to understand the impact of their investments on the critical challenges of our generation – poverty, health and wellbeing, decent work, use of resources, protecting ecosystems and stabilising the climate – and to invest in line with their worldviews. “In the end, responsible investment is all about making a difference. This work represents a critical step towards actually being able to show and understand how investors can contribute to better social and environmental outcomes,” said Manuel Lewin, Head of Responsible Investment at Zurich Insurance Group. “As we deliver strong financial returns to our clients, it is increasingly important to us to understand the social and environmental utility of our investments,” says Rod Paris, CIO of Standard Life Investments.



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The report proposes a simple proxy for each of the six themes and initially develops methodologies for two of them to illustrate how existing stock indices perform against these criteria. The report also calls for a new era in impact-related data collection, which could allow the metrics to be refined to build up an even more accurate picture of impact. The two methodologies detailed in the report are:

- **CAC40 impact on decent work:** The metric is the total number of direct jobs, adjusted for national rates of unemployment. The job intensity of the CAC40 index is 3.8 jobs per million dollars invested.
- **Stoxx600 impact on climate stability:** While the industry is more advanced in its report of carbon emissions, the innovation in this methodology is that it considers emissions from clients' use of products (scope 3 emissions) and calculates a company's contribution to climate change mitigation. The impact of the Stoxx600 on climate stability is the equivalent to driving 43 passenger vehicles for one year (225 tCO₂e) and its mitigation is equal to removing 2.5 vehicles from the road.

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About the report

As fiduciaries, investors gain by helping beneficiaries make informed choices about the management of their savings and investments. While the financial performance of funds is readily accessible, their social and environmental impact remains largely opaque, not only to the public but to the industry too. Drawing on a CISL model of economic transition¹ which takes the SDGs as its starting point, this framework helps investors to calculate and communicate the social and environmental impacts of their portfolios.

- Read the full [report](#)

About the Investment Leaders Group

The Investment Leaders Group (ILG) is a global network of 11 leading investment firms convened by the University of Cambridge Institute for Sustainability Leadership. ILG members are: Allianz Global Investors, First State Investments, Loomis Sayles, Natixis, Nordea, Old Mutual, PensionDanmark, Standard Life Investments, TIAA Asset Management and Zurich Insurance Group. The ILG's mission is to shift the investment chain towards responsible and long-term value creation, so that economic,

¹ <http://www.cisl.cam.ac.uk/rewire>

social and environmental sustainability are delivered as an outcome of the investment management process as investors go about generating robust, long-term returns.

About the Cambridge Institute for Sustainability Leadership

The University of Cambridge Institute for Sustainability Leadership (CISL) brings together business, government and academia to find solutions to critical sustainability challenges.

Capitalising on the world-class, multidisciplinary strengths of the University of Cambridge, CISL deepens leaders' insight and understanding through executive programmes; build deep, strategic engagement with leadership companies; and creates opportunities for collaborative enquiry and action through its business platforms. CISL's latest initiative – [Rewiring the Economy](#), was launched by its Patron HRH The Prince of Wales in July 2015.

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