



# ALIGNING CAPITAL MARKETS WITH THE SDGs

DR. STEVE WAYGOOD

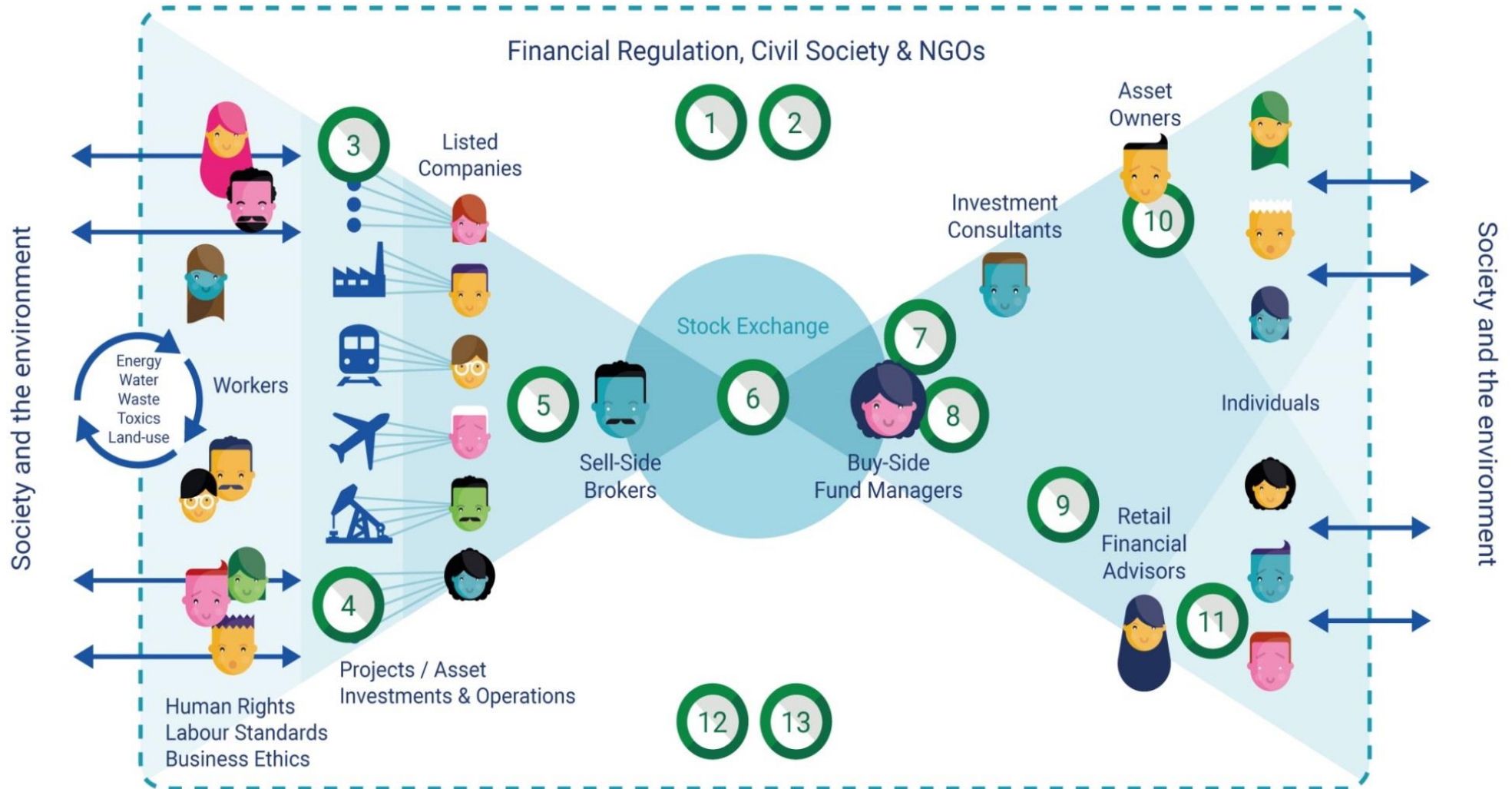
June 2018



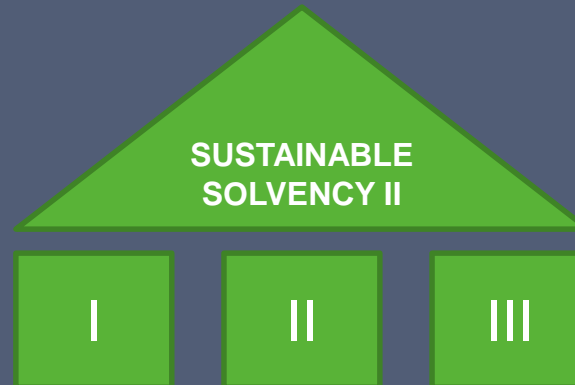
# A Roadmap for Sustainable Capital Markets



# How your money is put to work



# Our calls for Market Reform



AVIVA  
JARGON BUSTER NO. 33



## FIDUCIARY DUTY

If someone has a fiduciary duty, it means they have a legal responsibility to act in the best interests of someone else, usually in terms of protecting their money, property or other assets.

For example, a company director (who runs a company) has a fiduciary duty to the shareholders (who own the company).



# Unlocking the power of companies through capital markets and society



[www.worldbenchmarkingalliance.org](http://www.worldbenchmarkingalliance.org)

The UN Sustainable Development Goals set out the future we want. The private sector will be central to their success.

The World Benchmarking Alliance will develop, fund, house and safeguard publicly available corporate SDG performance benchmarks.

Free corporate benchmarks aligned with the SDGs will help companies, investors and others drive change by raising awareness and promoting a corporate race to the top.

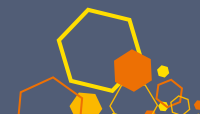
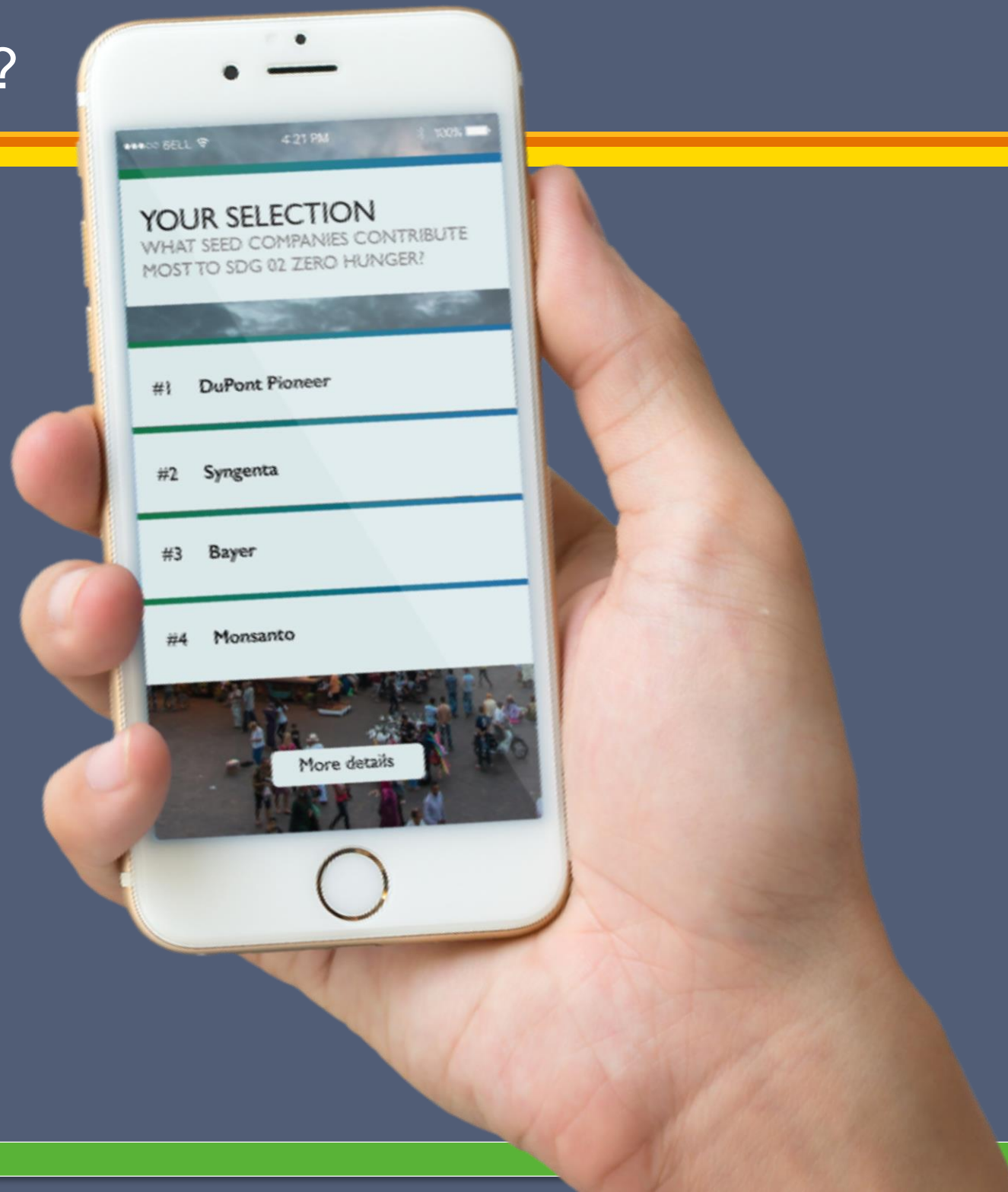
Successful benchmarks provide guidance on impact as well as a gap analysis. This improves understanding, promotes dialogue and drives positive change.

The WBA is itself a Partnership for the Goals (Goal 17) and includes representatives from finance, business, civil society, and government.





# What's next?



# Case study: Human Rights Benchmarking

## Extractives

Average score per Measurement Theme

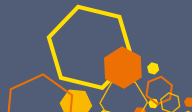
OVERALL AVERAGE **29.4%**

The 41 largest extractives companies in the world were assessed against the CHRB's extractives criteria. The highest scoring Measurement Theme was Transparency, followed by Policy, with companies scoring lowest in Embedding Respect and Human Rights Due Diligence.



Table 13: Average Score by Measurement Theme (darker colour blocks indicate proportion achieved)

BAND RANGE	COMPANY	INDUSTRY	BAND RANGE	COMPANY	INDUSTRY
60-69%	BHP Billiton	EX	20-29% (cont.)	Canadian Natural Resources	EX
	Rio Tinto	EX		PetroChina	EX
50-59%				Norilsk Nickel	EX
40-49%	Total	EX		Marathon Petroleum	EX
	Anglo American	EX		Anadarko Petroleum	EX
	Freeport-McMoRan	EX		Phillips 66	EX
	BP	EX		Lukoil	EX
	ConocoPhillips	EX		Surgutneftgas	EX
	Chevron Corporation	EX		Gazprom	EX
	Statoil	EX		EOG Resources	EX
30-39%	Royal Dutch Shell	EX		Valero Energy	EX
	Sasol	EX		Repsol	EX
	Vale	EX		CNOOC	EX
	Ecopetrol	EX		Eni	EX
	Glencore	EX		Rosneft Oil	EX
	Exxon Mobil	EX		China Shenhua Energy	EX
	Suncor Energy	EX	10-19%	Petrobras	EX
	Occidental Petroleum	EX	0-9%	Coal India	EX
20-29%	PTT	EX		China Petroleum & Chemical	EX
	Devon Energy	EX		Oil & Natural Gas Corporation	EX
	Goldcorp	EX		Grupo Mexico	EX



# Having an impact

THE AUTHORITY ON GLOBAL FUND MANAGEMENT | FINANCIAL TIMES | Monday May 14 2018

# FTfm



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How investors  
can keep  
water flowing  
pages 6-7

## Human rights activists name and shame giant companies

Groups warned over reputational damage and access to capital

ATTRACTA WOODNEY

Kraft Heinz, the food and beverage company, and fashion businesses Macy's Inc, Hermès and Prada have been criticised for a lack of transparency on human rights issues in their supply chain after failing to engage with a government and investor-backed group.

The Corporate Human Rights Benchmark – a non-profit based in London and New York that is backed by asset managers and pension funds including Aviva Investors, APG and Pictus, as well as the Swiss, Dutch and British governments – is to release a report this week.

It warns that some companies are paying more attention to issues relating to workers but it warns that a quarter of groups it has targeted in the clothing, agriculture and extractive industries have failed to engage, ignoring letters from an investor coalition that oversees \$5tn in assets as well as inviting them to join.

The reluctance of some businesses to discuss human rights comes despite investor concern about supply chain risks after the collapse of the Rana Plaza factory in Bangladesh five years ago, where more than



Fatema lost her son Nurul Karim and daughter Afta in the 2013 Rana Plaza disaster. © AP/WIDEWORLD



1,000 workers died. Companies including Walmart, Primark, Marks & Spencer and H&M all used the garment factory.

Some investors are also increas-

ingly worried about modern slavery. One senior executive at a UK pension fund said many big companies had slavery in their supply chains.

Last year, more than 5,000 people

were referred to British authorities as potential victims of slavery, up by a third in a year. In 2016, the owner of a company that supplied beds to Next

continued on page 2

## Misconduct tip-off cases fall to lowest level

OWEN WALKER

The number of whistleblowing cases targeting asset management companies reported to the UK's Financial Conduct Authority has fallen to its lowest level since a regulatory push to encourage workers to flag up wrongdoing.

A freedom of information request to the PCA revealed that just 21 cases were reported to the watchdog last year, half as many as in 2016, with only three in the first quarter.

Revelations that Jen Staley, the chief executive of Barclays, tried to unmask a whistleblower in 2016 have caused concern among governance campaigners. They fear that such behaviour could deter workers from coming forward with valuable information on corporate misconduct.

A regulatory probe was held into Mr Staley's actions and on Friday it was announced that he had been fined £640,000 – 15 per cent of his 2017 pay package. The Financial Conduct Authority and the Bank of England's Prudential Regulation Authority will also force Barclays to report annually on how it handles tip-offs.

The total number of whistleblowing reports that the PCA received came to 1,047 last year from a high of 1,360 in 2014.

Mark McAteer, co-director at the Financial Inclusion Centre, a policy and research group, and former chairman of the PCA risk committee, continued on page 2

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**Homi Kharas**  
Senior Fellow and Deputy Director, Global Economy and Development, The Brookings Institution  
**John McArthur**  
Senior Fellow, Global Economy and Development, The Brookings Institution



B Global Economy and Development  
at BROOKINGS

A report to Government by the Green Finance

## ACCELERATING GREEN FINANCE

## MAKING WAVES

APRIL 2018

Aligning the  
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**Inquiry: Design of a Sustainable Financial System**

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SUSTAINABLE FINANCE

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**Final Report 2018**  
by the High-Level Expert Group on Sustainable Finance  
Secretariat provided by the European Commission



# Escalating Global market reform

