SDG INDUSTRY MATRIX

Financial Services

New Sustainable Development Goals to make our world more:
Prosperous • Inclusive • Sustainable • Resilient

Produced jointly by:

United Nations Global Compact and KPMG International

NEW GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

In September 2015, 193 member States of the United Nations will meet in New York to adopt 17 new Sustainable Development Goals ('SDGs') to make our world more prosperous, inclusive, sustainable and resilient.

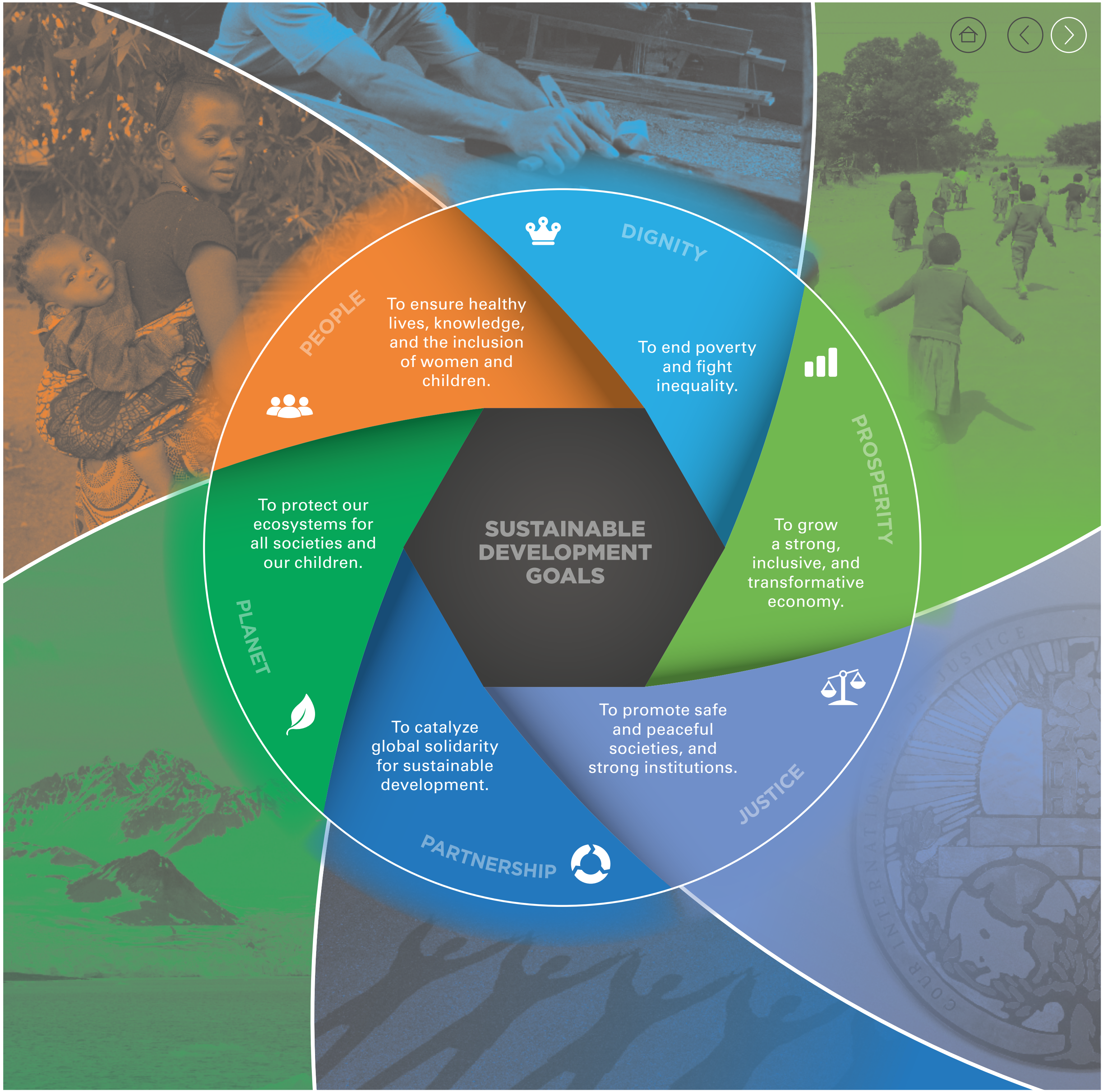
GLOBAL GOALS 2015 - 2030

The SDGs are an ambitious plan of action for people, planet and prosperity. They are universal, applying to all nations and people, seeking to tackle inequality and leave nobody behind. They are wide ranging including ending poverty and hunger, ensuring sustainable consumption and production, and promoting peaceful and inclusive societies.

The agreement on a new sustainable development agenda expresses a consensus by all Governments that the SDGs can only be achieved with involvement of the private sector working alongside Governments, Parliaments, the UN system and other international institutions, local authorities, civil society, the scientific and academic community – and all people. Hence, Governments in the Post-2015 declaration "...call on all businesses to apply their creativity and innovation to solving sustainable development challenges".

Each and every SDG provides an opportunity for business and two are worth highlighting as cross-cutting themes:

- SDG 12 focuses on production and consumption and includes a specific target on "adopting sustainable business practices and reporting";
- SDG 17 includes two targets on multi-stakeholder partnerships to ensure this attracts sufficient focus.



SUSTAINABLE DEVELOPMENT GOALS

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SDG INDUSTRY MATRIX

A

PURPOSE

The SDG Industry Matrix aims to inspire and inform greater private sector action to drive inclusive, sustainable prosperity.

Recognising that the opportunities vary by industry, the Matrix provides industry specific ideas for action and industry specific practical examples for each relevant SDG. It profiles opportunities which companies expect to create value for shareholders as well as for society.

The SDG Industry Matrix has been jointly conceived and led by the United Nations Global Compact and KPMG International Cooperative ('KPMG') to convert the interest stimulated by the Sustainable Development Goals into strategic industry activities which grow in scale and impact. This could be through sparking new innovative approaches, prompting companies to replicate successful activities in new markets, catalysing new collaborations and increasing participation in existing collaborations.

B

OPPORTUNITY

Through the lens of "shared value" the private sector can identify opportunity in addressing social and environmental challenges.

In the context of the SDGs, "shared value" represents the coming together of market potential, societal demands and policy action to create a more sustainable and inclusive path to economic growth, prosperity, and well-being[1]. The SDGs provide an opportunity for companies to create value for both their business and society through:

- Developing products, services, technologies and distribution channels to reach low-income consumers;
- Investing in supply chains which are ethical, inclusive, resource-efficient and resilient;
- Improving the skills, opportunities, well-being and hence productivity of employees, contractors and suppliers;
- Increasing investment in renewable energy and other infrastructure projects.

Several trends are making these opportunities more compelling:

- **Demographics:** The population in developing regions is projected to increase from 5.9 billion in 2013 to 8.2 billion in 2050 whilst the population of developed regions will remain around 1.3 billion people;
- **Income growth:** Between 2010 and 2020, the world's bottom 40% will nearly double their spending power from US$3 trillion to US$5.8 trillion;
- **Technology:** Rapid innovation is catalysing improved market analysis, knowledge sharing, product and service design, renewable energy sources, distribution models and operational efficiencies. Technology is also lowering market entry costs for non-traditional actors and start-ups with innovative 'disruptive' business models;
- **Collaborations:** Governments, businesses, international financial institutions, the United Nations, civil society and academia are developing new ways of working with each other in pursuit of compatible objectives.

1. 'Unlocking the Power of Partnership: A Framework for Effective Cross-Sector Collaboration', KPMG International

SDG INDUSTRY MATRIX (CONTINUED)

C

METHODOLOGY

The SDG Industry Matrix has been compiled through a participatory three step process:

1. KPMG and the United Nations Global Compact drew on their respective industry insights to populate a preliminary draft with examples and ideas for action;

2. The United Nations Global Compact circulated the draft to its network of private sector participants, business associations and UN agencies requesting them to submit further examples and ideas for action;

3. KPMG and the United Nations Global Compact co-convened a multi-stakeholder working roundtable (one per industry, each in a different continent) to agree the final SDG Industry Matrix content, including the most significant opportunities to profile in the 'Industry Focus Highlights' section.

D

SYNERGIES

The SDG Industry Matrix draws on the commitment that companies have already expressed to the UN Global Compact's ten principles.

The SDG Industry Matrix builds on the recognition that all companies, regardless of their size, sector or geographic footprint, have a responsibility to comply with all relevant legislation, uphold internationally recognized minimum standards and to respect universal human rights. The UN Global Compact website includes key tools and resources which can help companies meet their minimum responsibilities and guide them to take supportive actions beyond these minimum responsibilities to advance social and environmental goals.

The SDG Industry Matrix is also complemented by the SDG Compass (produced by the Global Reporting Initiative, the United Nations Global Compact and the World Business Council for Sustainable Development), which guides companies on defining strategic priorities, setting goals, assessing impacts and reporting.

Opportunities for Shared Value which are applicable to all industries are in *italics*

FINANCIAL SERVICES INDUSTRY HIGHLIGHTS

This section profiles some of the most significant opportunities, principles-based initiatives and collaborations for the Financial Services industry. It also presents a simplified view of the sources of capital within the financial system to explain the context within which these take place. The supporting Matrix provides additional ideas and examples submitted by companies (it is not intended to be an exhaustive list).

Opportunities for shared value

The Financial Services industry is a vital enabler for the real economy. It supports improved economic well-being which then increases the ability of families and Governments to improve social outcomes. The biggest opportunities for shared value – i.e. where we see the coming together of market potential, societal demands and policy action - are grouped around the following themes:

ACCESS

Increasing **financial inclusion** for individuals (SDGs 1, 2, 3, 4, 10), small and medium sized enterprises (SDGs 5, 8) and Governments (SDG 13). This includes access to secure payment and remittance facilities, savings, credit and insurance. These core financial services:

- Facilitate secure payment for goods and services including regional and international trade;
- Enable smoothing of cashflows and consumption over time;
- Provide financial protection; and
- Support more efficient allocation of capital.

INVESTMENT

Investing in, financing and insuring **renewable energy** (SDGs 7, 13) and other **infrastructure** projects (SDGs 6, 9). This includes:

- Banks raising capital through the debt and equity markets for Government and private sector investments;
- Asset managers investing as part of a diversified portfolio as well as to meet demands of impact investors;
- International/development financial institutions and sovereign wealth funds helping to de-risk investments for institutional investors; and
- Institutional investors and financial institutions with a longer-term investment horizon – such as pension funds and insurers – investing in infrastructure.

Opportunities for shared value
(CONTINUED)

“The world has never before been united by a set of global goals on poverty, inequality, injustice and climate change. Not achieving these Goals would be the biggest market failure of our time. Financial markets must play a vital role in creating a sustainable future for us all.”

Mark Wilson, Chief Executive Officer, Aviva Plc

RISK

Leveraging risk expertise to directly influence customer behavior and to create more resilient nations through:

- Developing innovative **pricing** models which incentivize more sustainable living and production (SDG 12); and
- Sharing non-proprietary risk data, risk analysis and **risk management** expertise to inform public policy and practice (SDG 11). This includes insurers collaborating to develop open source risk models which can inform disaster risk reduction policies and actions such as land zoning, building codes and investment in resilient infrastructure.

CROSS-CUTTING

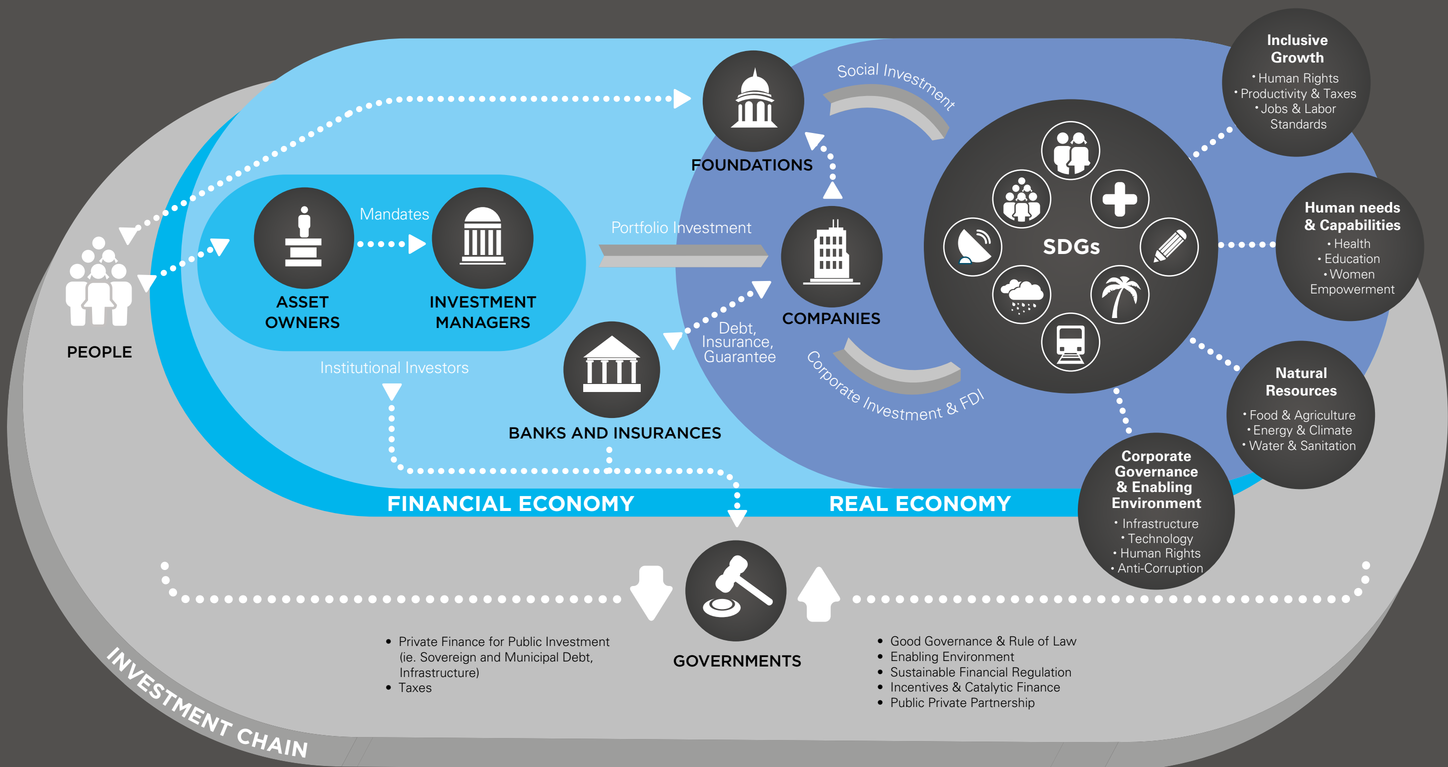
Positively **influencing environmental, social and governance (ESG) practices** of corporate clients and investee companies (SDGs 13, 14, 15, 16). This can be achieved through:

- Adoption of good practice principles, policies and risk frameworks to guide business transactions and investments – particularly on sensitive sectors or issues;
- Pricing which reflects ESG risks and opportunities; and
- Active investor stewardship

Multi-stakeholder partnerships and collaborations will become increasingly important in realising these shared value opportunities. Many solutions will include blended finance (e.g. combining a financial institution’s finance with third party concessional funds), innovative financing mechanisms such as development and climate bonds, and application of new technologies. There is critical momentum of activity and the Sustainable Development Goals are accelerating the coming together of market potential, societal demands and policy action.

The global financial system in context

In order to provide context for the opportunities and examples, this depicts a very simplified view of the global financial system. Importantly it shows how the financial system relates to the real economy, the main sources of capital, the key stakeholders and financial flows. Policies, rules, regulations, structures and incentives shape the framework within which financial institutions take decisions.



Source: 'Private Sector Investment and Sustainable Development' UN Global Compact, UNCTAD, UNEPFI, PRI (2015)

Financial policy & regulation

Government policy and regulation influence the extent to which private sector capital aligns to sustainable development. There are several global initiatives addressing this including the UN Environment Program's Inquiry into the Design of a Sustainable Financial System and Principles for Sustainable Insurance (PSI) Initiative, and the Access to Insurance Initiative. Whilst policy and regulation are beyond the scope of this publication, its importance is articulated in paragraph 38 of The Addis Ababa Action Agenda of the Third International Conference on Financing for Development agreed by 193 UN member states in July 2015:

> “We acknowledge the importance of robust risk-based regulatory frameworks for all financial intermediation, from microfinance to international banking. We acknowledge that some risk-mitigating measures could potentially have unintended consequences, such as making it more difficult for micro, small and medium sized enterprises to access financial services. We will work to ensure that our policy and regulatory environment supports financial market stability and promote financial inclusion in a balanced manner, and with appropriate consumer protection. We will endeavor to design policies, including capital market regulations where appropriate, that promote incentives along the investment chain that are aligned with long-term performance and sustainability indicators, and that reduce excess volatility.”

> “The Sustainable Development Goals serve as a global compass which the financial community of banks, insurers and investors can use to guide their core business towards achieving economic, social and environmental sustainability. In this context, the insurance industry can lead the way in placing sustainable development at the heart of risk management, and in placing risk management at the heart of sustainable development.”

Butch Bacani, Program Leader, The UN Environment Program Finance Initiative's (UNEP FI) Principles for Sustainable Insurance (PSI)

Good practice principles & initiatives

In addition to the UN Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption, there are a number of good practice principles and initiatives which align with the Financial Services industry's contribution to sustainable development. These include the following:

EQUATOR PRINCIPLES

This is a risk management framework for determining, assessing and managing environmental and social risks in projects. The ten principles are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. As at July 2015 there are 80 Equator Principles Financial Institutions covering over 70% of international project finance debt in emerging markets.

GREEN BOND PRINCIPLES

These are voluntary process guidelines that provide guidance to issuers on the key components involved in launching a credible Green Bond; they aid investors by ensuring availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market towards standard disclosures which will facilitate transactions. In addition three banks have published a proposed Social Bond and Sustainability Bond Appendix to encourage transparency, disclosure and integrity in the development of these new markets.

UNEP FINANCE INITIATIVE & THE PRINCIPLES FOR SUSTAINABLE INSURANCE (PSI)

Founded in 1992, UNEP FI is a unique global partnership between the United Nations Environment Program (UNEP) and the global financial sector. UNEP FI works with over 200 banks, insurers and investors, and a range of partner organizations, to better understand the impacts of environmental, social and governance issues on financial performance and sustainable development. Its work includes setting global principles and standards; pioneering research and tools; building capacity and sharing best practices; policy and stakeholder engagement; and national, regional and global events and activities.

Endorsed by the UN Secretary-General and developed by UNEP FI, the Principles for Sustainable Insurance (PSI) were launched at the 2012 UN Conference on Sustainable Development (Rio+20). The PSI are a framework for the insurance industry to address ESG risks and opportunities. They represent a global roadmap for the insurance industry's role in sustainable development. Aligned with an insurer's spheres of influence, the principles ask insurers to embed in their decision-making ESG issues relevant to their core business; to work together with clients, business partners, Governments, regulators and other key stakeholders; and to demonstrate transparency and accountability. As at September 2015 there are over 80 signatories, including insurers representing 20% of world premium volume and US$14 trillion in assets under management, making the PSI the largest collaborative initiative between the UN and the insurance industry.

UN-SUPPORTED PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

Investors publicly commit to adopt and implement six principles, where consistent with their fiduciary responsibilities, believing this will improve their ability to meet commitments to beneficiaries as well as better align investment activities with the broader interests of society. The principles include incorporating environmental, social and governance issues into investment analysis, decision-making processes, ownership policies and processes. As at July 2015 there are close to 1,400 signatories representing US$59 trillion of assets under management.

SUSTAINABLE STOCK EXCHANGES INITIATIVE (SSE)

The SSE initiative provides an effective platform for exchanges to engage with the UN, investors, companies and regulators. By exploring how exchanges can work with these actors, the SSE is working to create more sustainable capital markets. The SSE specifically focuses on working in partnership with exchanges, in collaboration with investors, regulators, and companies, to enhance corporate transparency – and ultimately performance – on environmental, social and corporate governance issues and encourage sustainable investment. As of July 2015, the SSE has 23 Partner Stock Exchanges, which list over 21,000 companies globally and represent US$41 trillion in market capitalization.

Multi-stakeholder partnerships and collaborations

The SDG Industry Matrix includes several examples of collaborations which advance sustainable development. In addition, some of the largest global multi-stakeholder collaborations for Financial Services include:

BANKING ENVIRONMENT INITIATIVE

The Chief Executives of some of the world's largest banks created the Banking Environment Initiative (BEI) in 2010 with the mission to lead the banking industry in collectively directing capital towards socially and environmentally sustainable economic development. Convened by the University of Cambridge, the group comprises 11 leading banks with over US$10 trillion of assets. The BEI has developed a powerful model of change, at the heart of which lies a simple thesis: banks work for their clients and this group can only be transformative if it truly aligns banks' interests with those of their clients. The BEI's model is therefore to form strategic partnerships with groups of leading corporates, investors and even regulators that share the BEI's ambitions. The group then works to catalyze mainstream change by (i) driving industry-level standards that accelerate the emergence of new business norms; (ii) innovating banking products and services that address unmet needs in a sustainable economy; and (iii) helping policy-makers and regulators evolve a level playing field for sustainable business models.

THE INVESTMENT LEADERS GROUP (ILG)

A group of eleven influential investment managers and asset owners aiming to drive the investment chain towards responsible, long-term value creation. Jointly conceived by the University of Cambridge and Natixis Asset Management, the group is developing a fresh approach for the industry based on a vision of responsible investment and a set of actions and tools to lead the industry there. One key focus of the ILG is to enable investors to report to beneficiaries and manage the contribution of their investment towards sustainable development. Inspired by the UN Sustainable Development Goals, the group has developed an Impact Evaluation Framework, which clarifies which social and environmental impacts investors should aim to disclose. It focuses on how investment achieves environmental and social outcomes across various asset classes and investment styles, and aims to enable beneficiaries and clients to make practical choices about how they invest their money.

THE PORTFOLIO DECARBONISATION COALITION

A multi-stakeholder initiative that will drive greenhouse gas emission reductions by mobilizing a critical mass of institutional investors committed to gradually decarbonizing their portfolios. Members of the Coalition share a dual vision, setting themselves two interconnected and intermediary targets to first measure and disclose their carbon exposure, and then to take action to decarbonize.

GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION

An inclusive platform for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward work on financial inclusion, including the implementation of the Financial Inclusion Action Plan, endorsed at the G20 Summit in Seoul. Seven implementing Partners coordinate the implementation of the activities. The private sector participates through those implementing partners, in particular the International Finance Corporation, the Better Than Cash Alliance, and the Consultative Group to Assist the Poor.

Multi-stakeholder partnerships and collaborations (CONTINUED)

CLIMATEWISE

Over 30 leading insurers are members of ClimateWise, a global industry leadership platform convened by the University of Cambridge, which aims to drive an industry response to climate change. ClimateWise pursues its mission by combining the expertise of the University of Cambridge with leading insurer practice, thereby creating a platform for collaboration with stakeholders from across the insurance value chain, Government and clients to tackle exposure to climate-related risk. In recent years, ClimateWise has collaborated with the UK Prudential Regulatory Authority to inform its inquiry into the impacts of climate change on the insurance industry and the customers its serves; has worked with city authorities in North America to identify ways that insurance can make investments in support of climate resilient cities; partnered with energy companies to develop risk management solutions for emerging low carbon energy technologies; and has worked to enable insurers to direct more of their invested assets towards building a low carbon, climate resilient economy.

THE 1-IN-100 INITIATIVE

This applies the climate and natural hazard risk stress tests that have transformed the resilience of the insurance industry into the wider financial sector and across the economy. It includes the development and adoption of risk assessment standards for companies and public entities to evaluate the 1 in 100 year, 1 in 20 and annual average loss from these risk and the integration of these disclosures into financial regulation, accounting and rating. Using these techniques excess natural hazard risk will proportionally decrease the value of assets, while resilience will be recognized.

CLIMATE BONDS INITIATIVE

An international, investor-focused not-for-profit focused on mobilizing the US$100 trillion bond market for climate change solutions. It is encouraging issuers, supporting investors and developing standards to provide assurance for investors regarding the environmental integrity of climate bonds. Several banks are partner organizations, along with other stakeholders.

THE MUNICH CLIMATE INSURANCE INITIATIVE

This strives to fulfil four objectives, (i) develop insurance-related solutions to help manage the impacts of climate change; (ii) conduct and support pilot projects, in partnerships and through existing organizations and programs, sharing success stories and lessons learned; (iii) promote insurance approaches in cooperation with other organizations and initiatives; (iv) Identify and promote loss reduction measures for climate-related events.

THE ACCESS TO INSURANCE INITIATIVE (A2II)

This aims to increase access to insurance by inspiring and supporting supervisors to promote inclusive and responsible insurance, thereby reducing vulnerability. Pillar 1 supports supervisors with knowledge on financial inclusion topics by developing global and regional learning tools and evidence-based synthesis of regulatory good practices to inform globally accepted Insurance Core Standards. Pillar 2 assists policymakers and supervisors with the proportionate and access-oriented implementation of the Insurance Core Principles in national regulation and supervisory frameworks.

THE UNEP FI PRINCIPLES FOR SUSTAINABLE INSURANCE (PSI) INITIATIVE

The PSI is the largest collaborative initiative between the UN and the insurance industry. The vision of the PSI Initiative is of a risk aware world, where the insurance industry is trusted and plays its full role in enabling a healthy, safe, resilient and sustainable society. Its purpose is to enable the global insurance industry to better understand, prevent and reduce environmental, social and governance risks, and better manage opportunities to provide quality and reliable risk protection. A concrete example of collaboration is the PSI Global Resilience Project (GRP). The GRP brings together insurers from around the world and key stakeholders to build disaster-resilient communities and economies by rebalancing approaches to natural disasters away from post-disaster relief and recovery, to investing in upfront measures that reduce disaster risk and build resilience. The GRP is doing this by deepening understanding of disaster risk reduction activities globally related to natural hazards; assessing the economic and social costs of disasters, the effectiveness of risk reduction measures, and areas of high exposure and vulnerability; and engaging Governments, communities, NGOs and businesses to help them better manage and reduce disaster risk.

INSURANCE DEVELOPMENT FORUM (IDF)

Formed in 2015 under the auspices of the Political Champions Group for Disaster Resilience, this brings together national and regional Governments, the global insurance sector, UN Agencies and other international institutions to enable the growth of insurance related capabilities and capacity to support disaster risk reduction and the wider objectives of the SDGs. The IDF is co-chaired by a senior member of the public sector and the insurance industry, with the secretariat provided by the World Bank Global Facility for Disaster Reduction and Recovery with support from the International Insurance Society 'and UNDP.

Multi-stakeholder partnerships and collaborations (CONTINUED)

THE SMART RISK INVESTING PROJECT

An insurance industry-wide initiative which aims to encourage and enable all insurers to incorporate sustainability considerations in their asset management policies and practices. It raises standards for insurers' responsible investments by harnessing their expertise in risk assessment and applying it to asset management decisions. The Smart Risk investing framework stimulates new ways of thinking for insurers' asset managers; by integrating environmental and social risk considerations in the selection of assets, they will have a rigorous, informed basis for selecting assets that promote social and environmental resilience, and for not selecting assets that present high risk to our world.

MONTREAL CARBON PLEDGE

By signing the Montréal Carbon Pledge, investors commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis. The Pledge was launched on 25 September 2014 at PRI in Person in Montréal, and is supported by PRI and the UNEP FI. It aims to attract commitment from portfolios totaling US$3 trillion in time for the United Nations Climate Change Conference (COP 21) in December 2015 in Paris. It allows investors (asset owners and investment managers) to formalize their commitment to the goals of the recently announced Portfolio Decarbonization Coalition, which will mobilize investors to measure, disclose and reduce their portfolio carbon footprints at the scale of hundreds of billions of dollars by the December 2015 UN Climate Change Conference.

GLOBAL IMPACT INVESTING NETWORK

This Network provides a platform for like-minded investors to meet and take part in activities that build the impact investing industry from a practitioner's perspective. Network members gain access to industry information, tools, and resources to enhance their capacity to make and manage impact investments and connect with one another through virtual and in-person members-only events.

> “The Sustainable Development Goals provide a focus for the world's efforts to meet global challenges including climate change, water management and sanitation and equitable education. The opportunity clearly exists for the private sector to create and commercialise sustainable solutions at scale.”
>
> Stuart Gulliver, Group Chief Executive, HSBC Holdings plc

Photo: Alex Baluyut/World Bank

SDG INDUSTRY MATRIX FOR FINANCIAL SERVICES

The following pages outline opportunities – under each of the 17 SDGs – for companies to create value for their business whilst creating a more sustainable and inclusive path to economic growth, prosperity, and well-being. It also profiles practical company examples submitted through the consultation process.

SDG 1
End poverty in all its forms everywhere

OPPORTUNITIES FOR SHARED VALUE

- Innovate to develop new financial products, credit scoring methodologies, operating models and distribution channels (including mobile banking) to **advance financial inclusion**, including banking for the 2.5 billion adults currently without a bank account and microinsurance to increase social protection.

LEADING BY EXAMPLE

- **MasterCard**, with US$11 million of funding from a charitable foundation, has established MasterCard Labs which is an innovation lab in East Africa aiming to expand digital financial services to 100 million people globally. It will generate new ideas with local entrepreneurs, Government and other stakeholders across East Africa and an additional US$8 million is reserved for ideas reaching the incubation phase.

- **Blue Marble Microinsurance** is a microinsurance incubator developed by a consortium of insurers and reinsurers to drive product, distribution and operational innovation in the launch of 10 new microinsurance ventures over the next 10 years. The consortium includes Zurich Insurance Group; Yes; American International Group, Inc.; Aspen Insurance Holdings Limited; Guy Carpenter & Company; LLC & Marsh & McLennan Companies, Inc.; Hamilton Insurance Group Ltd.; Old Mutual plc.; Transatlantic Reinsurance Company; and XL Catlin. Technology is an integral part of the project.

- The **International Cooperative and Mutual Insurance Federation**'s (ICMIF) 5-5-5 Development Strategy aims to extend the reach of microinsurance as a crucial tool for socio-economic strength to an additional (ie currently uninsured) five million homes (20 million persons) in five emerging countries in the next five years. ICMIF is using its technical development expertise to identify the needs in those countries, develop appropriate strategies, and develop relationships with local, on-the-ground partners to bring specific actions for microinsurance (in particular, healthcare and life insurance) to reach poor populations which, without it, would struggle to survive should disaster strike.

- **Standard Chartered** has committed to provide financing and technical assistance for microfinance institution (MFI) clients in Asia and Africa to enhance their capacity to extend loans to more people in its markets. From 2005 to 2014, Standard Chartered provided more than US$1.6 billion in lending to 85 MFIs, impacting an estimated 10.4 million people.

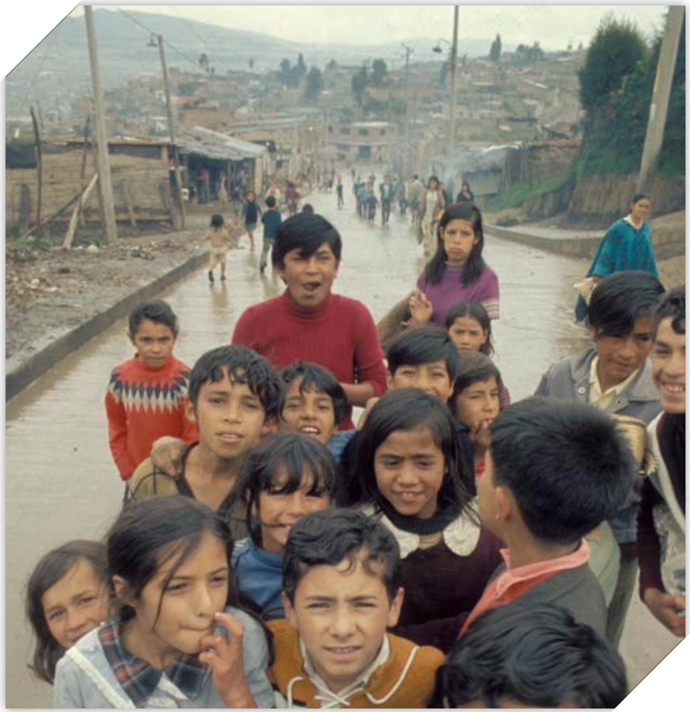


Photo: Edwin Huffman/World Bank

- **Aviva** is one of the largest microlife insurers on the Indian sub-continent working with several microfinance companies and a host of co-operative banks. Due to its vast branch network, Aviva is able to serve financially-excluded and rural customers quickly and at low cost. In 2014 alone, Aviva covered over 630,000 people through its microinsurance products and close to 500,000 policies were sold in rural India.

- For almost 20 years, **Aviva** has worked closely with **Aon Limited** and other insurance brokers, local authorities and registered social landlords in the UK to provide tenants with accessible, affordable home contents insurance. The cover is paid mainly with rent, on a weekly basis, with a zero excess feature and in many cases without the need for a bank account. Aviva works with 100 local authority and registered social landlord schemes throughout the country, an approach which it says helps to overcome fears or mistrust in the financial sector.

- **Banco do Brasil** started providing loans for small firms and entrepreneurs through a nationwide microcredit program (known locally by the acronym MPO), helping more people to open bank accounts, creating jobs and income, and combating poverty, as part of the federal Government's plan to end extreme poverty ("Brasil sem miséria"). The microcredit program is mainly for urban areas and has originated more than 45,000 loans totaling around US$100 million. Around half of entrepreneurs reached are women.

- **YES BANK** has been applying the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI) to systematically leverage technology and frugal business models to offer direct microcredit, microsaving, microinsurance and remittance services across various geographical and socio-economic contexts for the under-banked and unbanked population in India. For example, YES BANK launched the YES Kisan Dairy Plus as a comprehensive suite of financial products for the dairy sector through an automatic milk testing machine installed at the partnering dairy which can provide immediate information on the quality and quantity of milk supplied by the small dairy farmer. The farmer can be paid immediately through YES Kisan Dairy Plus into his saving account. The farmer receives a confirmation of payment through a mobile text message, and has two options to either leave the amount in his account or make withdrawals using YES SAHAJ, the Bank's mobile ATM solution.

- **Scotiabank** is working to advance financial inclusion and economic development of communities through technology including mobile banking, relevant products (including low/no fee accounts), micro and consumer financing, small business lending, and financial education.

- **Nyati Sacco Society Limited** is a savings and credit co-operative serving the low income bracket in Kenya with 90% of its membership comprising security guards working for G4S (Kenya) and other companies. It will soon start a savings bank service (virtual) to enable its members to access more affordable banking services in addition to cheaper and more easily available credit.

1 NO POVERTY

Photo: Curt Carnemark/World Bank

SDG 2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

2 ZERO HUNGER

OPPORTUNITIES FOR SHARED VALUE

- Collaborate with Governments and development finance institutions to increase **financing for sustainable agriculture**, including people that are often financially excluded including women, persons with disabilities, indigenous persons, and racial and ethnic minorities.
- Extend **insurance protection** for smallholder farmers (including parametric cover for which an index is a proxy for assessment of actual losses), leveraging available technology such as mobile money transfer and satellite monitoring. Explore collaborations with farm aggregators, impact investors and reinsurers to provide loan-linked insurance, contract seed grower insurance, dairy livestock insurance and replanting guarantees.
- Join the Scaling Up Nutrition Business Network to **collaborate** with other companies, Governments and civil society in order to identify new inclusive sustainable business opportunities (e.g. financing seed and micronutrient innovations).
- Implement **responsible business policies** in accordance with the Committee for World Food Security's Principles for Responsible Agricultural Investment and the United Nations Global Compact's Food and Agriculture Business Principles, such that investments and financial products do not violate human and land rights, contribute to food price volatility, or encourage speculative trading in food commodities.

LEADING BY EXAMPLE

- **Standard Chartered** commits to allocate capital to key sectors in the economy including agriculture, trade and infrastructure. In 2014, it financed US$31 billion through its Commodity Traders and Agribusiness portfolio. Standard Chartered has a Position Statement on Agribusiness setting out the standards it uses to assess the capability of its clients to manage social and environmental risks; industry best practices, guidelines and bodies which it will also use to determine effectives responses to risks faced by clients; and the circumstances under which the bank will restrict financial services (e.g. corporate and institutional clients which are involved in the production of soy, cocoa and coffee beans, sugarcane, cotton or livestock standards and which fail to adhere to IFC standards).
- **Rabobank** generates, enhances and distributes its extensive knowledge of the many links in the food chain through its Food & Agribusiness Research and Advisory department. It has developed 10 big

Photo: Sebastian Szyd/World Bank

2 ZERO HUNGER

ideas which could boost global food availability and access over the next decade. These ideas are: adopt big data in US agriculture; close the yield gap in Central and Eastern Europe; improve China's food security; strengthen South-South trade; invest in local storage; boost production in the Food & Agribusiness engine room; develop cold chains in China; grow aquaculture; lift dairy production in India; and raise sugarcane's productivity. These are described in further detail together with case studies in the report 'Unleashing the Potential of Global Food & Agribusiness' for its business customers.

- **The Africa Risk Capacity Insurance Company Ltd** (ARC Ltd) is a sovereign-level mutual insurance company established by the Africa Risk Capacity, a specialized agency of the African Union, to provide timely and reliable funds to participating Governments to respond to food insecure populations. It is an index-based weather insurance mechanism through which satellite based rainfall datasets quantify the impact of a severe drought event, triggering payments to participating affected countries within 2-4 weeks of harvest. Africa RiskView is a software package developed by the United Nations World Food Programme and is the technical engine of the Africa Risk Capacity. ARC Ltd was capitalized through 20-year interest-free loans totaling US$95 million from the UK and German development agencies. There are currently 26 country Government members of ARC Ltd who are each required to have pre-approved contingency plans in place which describe how insurance pay-outs will be used should the coverage be triggered. In its first policy year US$26 million was paid out to three participating countries in western Africa which suffered low rainfall. Experts are working to expand the early-warning tool to address other hazards including floods and cyclones.

- **Swiss Re** has been committed to the Grow Africa Partnership since 2012, an initiative launched by a number of organizations to promote public-private collaboration and investment in African agriculture. Swiss Re's commitment to the Grow Africa Partnership includes three elements: 1) Give farmers in Sub-Saharan Africa access to tools such as weather and yield index insurance products; 2) Invest about US$2 million per year in resources to support the development of sustainable agricultural risk management markets; 3) Provide agricultural insurance for up to 1.4 million smallholder farmers. To create effective insurance solutions, it works closely with several partners such as Oxfam America, the World Food Programme, USAID and the Global Index Insurance Facility. By the end of 2014, it helped to establish a total of 20 programs that brought weather insurance to two million smallholder farmers in 12 Sub-Saharan countries, reaching and exceeding the target ahead of schedule. Swiss Re microinsurance products for small-scale farmers include:

  – In Kenya, Rwanda and Tanzania, Swiss Re engages in the the 'Kilimo Salama' (safe farming) project, which since its launch in 2009 has grown to be the largest weather index insurance program in Africa providing insurance protection to 185,000 smallholder farmers (as at December 2013). It offers financial protection against drought, excess rain, crop yield volatility and diseases, and it is being used for maize, beans, wheat, sorghum, coffee, potatoes and livestock.

  – In India, Swiss Re helps bring insurance to remote farmers by supporting local insurers through its expertise and various reinsurance products.

  – Swiss Re has also started providing new data on agriculture hotspots in Mozambique and Kenya, which include overviews on the economics, production and risks to agriculture.

  – In 2014 Swiss Re helped establish the first weather index insurance program in Nigeria, making automatic payments to smallholder farmers when satellite data indicates adverse weather patterns.

- **Sompo Japan Nipponkoa Holdings**, Inc. offers agricultural insurance products in South East Asia to reduce climate related risks to agriculture. It launched weather index insurance in northeast Thailand in 2010 to alleviate losses borne by rice farmers when their crops are damaged by drought, and the sales area expands every year. In 2014, it launched Typhoon Guard Insurance in Mindanao Island, the Philippines, which aims to alleviate the losses borne by agricultural producers when they are affected by typhoons. It is also developing new insurance products, including one which will alleviate agricultural losses in Myanmar due to drought in the central dry zone, and similar products for Indonesia.

- **MasterCard** and the World Food Programme have rolled out an innovative e-voucher program in Lebanon to deliver food assistance to Syrian refugees. In April alone, nearly US$20 million was injected into local markets. Today, about 715,000 refugees buy food at nearly 250 merchants who saw a 6-12% increase in revenues. The program intends to reach 1.1 million refugees in 2014. A similar program in Jordan will distribute US$250 million in food assistance and reach 710,000 Syrian refugees this year.

SDG 3

Ensure healthy lives and promote well-being for all at all ages

3 GOOD HEALTH AND WELL-BEING

Photo: Sebastian Szyd/World Bank

OPPORTUNITIES FOR SHARED VALUE

- Provide and/or raise **capital** for investment in healthcare institutions.
- **Share** anonymized morbidity and mortality **data** with Governments to inform public health policies without jeopardizing data protection and privacy, leading to improved public health and thus lower underwriting risk.
- Scale health, disability, critical illness, life and funeral **insurance** policies for people on low incomes to lessen the financial impact of morbidity and mortality risks. Consider providing policies which use mobile money services to efficiently transfer funds to cover the ancillary costs associated with accessing Government-provided health care (such as travel, medicine and child care).
- Collaborate with mobile phone providers and community organizations to support **health promotion** activities, thereby reducing loan payment defaults and insurance claims arising from ill health.
- *Support healthy employees, families, communities and nations by ensuring healthy and safe **work environments.***

LEADING BY EXAMPLE

- The **Standard Chartered** 'Living with HIV' program aims to reduce the spread of HIV by encouraging behavior change through education. Employee volunteers ('HIV Champions') raise awareness of HIV/AIDS within the bank and community. Their work also includes the development of tailored workplace HIV education programs with external organizations, and the training of volunteers inside these organizations to act as peer educators, all free of charge. Standard Chartered has a complementary online initiative called AntiHIVirus which makes HIV/AIDS facts available to young people through engaging multimedia (-including animated 'edutainment' modules and blogs in 10 languages) helping them make safe lifestyle choices and reducing stigma. These group-wide initiatives sit alongside the bank's more local efforts to tackle HIV/AIDS including use of ATM machines in a number of markets (including Thailand, Malaysia and Dubai) to communicate HIV/AIDS information.
- **Aviva**'s health insurance continues to extend coverage and innovate to improve customer outcomes. For example, it partners with cancer care charities to reduce payout timescales and improve support. Aviva publishes health and lifestyle research and guidance via its website and content marketing directed to its customers and communities who could benefit (e.g. Aviva Health Library provides the latest health and wellbeing news and views, from day to day lifestyle tips to feature health articles). Aviva also shares data it has on the incidence of specific health issues (e.g. prostate cancer) to inform and support NGO and public health campaigns.
- **Banca Popolare di Sondrio** offers its customers the option of opening a Solidarity Account. In addition to interest paid to the account holder, the bank pays 0.5% of the average annual balance to the account holder's choice of one of five charitable health funds including UNICEF.

SDG 4
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4 QUALITY EDUCATION

OPPORTUNITIES FOR SHARED VALUE

- Collaborate with development finance institutions and Governments to raise and/or invest in innovative **financing** (e.g. education bonds) for education projects.
- Expand access and use of personal **savings and loan products** to help families plan for and finance education costs.
- Expand health, life and livelihood **insurance** coverage in developing markets to reduce the risk that children are absent from school due to untreated medical conditions, or that they are withdrawn from school to care for a sick relative or to undertake livelihood activities to supplement household income.
- Provide small and medium sized enterprises with accounting, customer service and **business management training** to progress their lifelong learning, thereby building loyalty and success of SME customers and helping to identify and attract new ones.
- Increase collaboration across the industry and explore best practices for advancing **financial literacy** at scale both in schools and for men and women, including marginalized groups (such as persons with disabilities, indigenous persons, and racial and ethnic minorities). Explore collaboration with other stakeholders including ministries of education and civil society.
- **Mentor** disadvantaged and marginalized youth to improve their learning outcomes and provide the industry with access to a diverse talent pipeline, which can provide insights essential for advancing financial inclusion.

LEADING BY EXAMPLE

- The **Inter-American Development Bank** (rated Aaa/AAA) launched a US$500 million Education, Youth and Employment Bond for Latin America and the Caribbean to finance early childhood care and education, formal primary and secondary education, as well as labor market placement and vocational training. This bond is the first global benchmark issued by a Multilateral Development Bank where proceeds are placed in a segregated sub-account to support projects strictly related to education and youth employment. The order book received a significant level of oversubscription and included a high percentage of investors with a particular interest in Socially Responsible Investment Bonds.


UN Photo Library

4 QUALITY EDUCATION

- In 2008 **Credit Suisse** launched the first phase of the Global Education Initiative focusing on Millennium Development Goal 2 (access to and quality of education), targeting school-aged children in selected countries. Between 2008 and 2014, the Initiative developed strong partnerships, with programs reaching over 100,000 students in over 400 schools in 38 countries. More than 15,000 teachers were trained in subjects ranging from science, technology, engineering, mathematics and information technology to child-friendly teaching methodologies. Based on this success, in 2014 Credit Suisse launched a Signature Program within the Initiative focusing on Financial Education for Girls. It aims to reach 100,000 girls and young women with interventions to prepare them for the challenges in life. The Global Citizens Program, an integral part of the Global Education Initiative, increases the impact of funding by enabling suitably qualified employees to share their expertise with local partners.
- **YES BANK** is partnering with the Bombay Stock Exchange (BSE) and the Institute of Chartered Accountants of India (ICAI) to improve financial literacy in India by conducting financial literacy camps throughout its pan-India branches, leveraging the content leadership and association of investor initiatives of the BSE and ICAI. The three partners will also conduct joint knowledge events and provide training and online courses to improve financial planning and savings among citizens, while creating engaging content for including financial literacy courses in higher education.
- **Barclays**, in collaboration with Action for Children, developed the Barclays Money Toolkit to help adults and children learn about financial planning and saving. The toolkit provides guidance on: identifying ways of improving participants' financial situations; learning about financial products and language in order to make educated choices; and building on participants' existing skills and applying them to finances.
- **Standard Chartered** has established financial education programs for youth and for entrepreneurs. Commitments include providing training to 5,000 micro and small businesses, with at least 20 per cent being women-owned or led, between 2013 and 2018. In 2013 and 2014, 1,400 micro and small businesses, including approximately 36% women, were trained.
- **Citi** is building partnerships with the communities in which it operates to increase financial literacy and access to capital. For example, in Colombia the Citi Foundation has supported Fundación Capital's LIFT Initiative to develop an innovative tablet-based financial education system. This provides low-income individuals and their families with personalized tools that help them to build their assets, increase their financial capabilities, and support them as they transition out of poverty. The program has helped 1,000 low-income women who receive Government assistance through conditional cash transfers to become active banking clients with formal savings accounts.
- **HSBC**'s global financial education program, JA More than Money, is targeted at 7-11 year olds, helping them to learn about earning, spending, saving, investing and donating money, as well as educating them about enterprise and potential careers. The program is run in partnership with JA Worldwide, the largest organization dedicated to financial literacy, entrepreneurship and work readiness. More than 6,000 HSBC employees have volunteered for the program since 2008, benefitting more than 379,000 students in 32 countries.
- **Caixa Geral de Depósitos** has a financial literacy program 'Saldo Positivo' comprising two components: 'Saldo Positivo Particulares' which helps households better manage their money; and 'Saldo Positivo Empresa's' which helps entrepreneurs and managers with financial management. Given the difficult economic context in Portugal and the increase in unemployment, more households are looking for information on how to better manage their family budgets. Caixa Geral de Depósitos responded by setting up www.saldopositivo.cgd.pt which provides households with information on budget management, and managers and entrepreneurs information on launching, planning and managing their companies.
- **BancoEstado** in Chile offers bank accounts to children and youth and The Council for Economic Education provides economics education resources to teachers & students. These teach children about social and financial concepts like saving and spending which will help to develop more financially responsible societies.
- **DGB Financial Group** runs a financial museum in South Korea to provide a venue for sharing the regional financial history and teaching financial literacy and economic knowledge to students in the region. It has developed mobile applications for senior citizens, non-Koreans and persons with disabilities to meet the different needs of its customers.
- **Piraeus Bank** supports the Knowledge Society by organizing entrepreneurship programs in fields such as agricultural development. It collaborates with Greek tertiary education institutions/universities to provide student internships, supporting education agencies, and providing targeted educational scholarships for low-income students. Piraeus Bank also sponsors a savings program for 76 students in

the outlying islands of Arkoi and Leipsoi, with the aim of supporting the students in the long-term as well as promoting money-saving.

- In 2014 The **Western Union** Company announced the launch of "Apna Sapna", a financial literacy program created in eight languages for migrant workers in the United Arab Emirates ('UAE') to help them develop the awareness and skills to manage their finances and plan for the future. "Apna Sapna", which in Hindi means "Our Dream", is endorsed by the UAE Labor Ministry and aims to address the challenges of migrant workers who are often unsure about how to achieve their long-term financial goals.
- **MasterCard** has partnered with the Confederation for All India Traders to promote the digitization of payments among Indian traders, through knowledge sharing and training sessions across the country, in line with the Government's 'Digital India' vision.
- **Daiwa** provides a free of charge Daiwa Internet TV service for the general public in Japan. This disseminates the latest information and in depth market and economic analysis by Daiwa's analysts, strategists and economists, whilst also often allowing viewers to directly ask questions. This means information previously available exclusively to institutional investors is now freely accessible by individual investors through personal computers and smart phones.
- The **HSBC** Education Program helps young people to access education, develop life skills and entrepreneurship, and build their international and cultural understanding. HSBC's work with Junior Achievement/Young Enterprise in France, Malta, Japan and the UK helps to inspire young people and give them a taste for working in an entrepreneurial environment, helping them build their confidence and become literate in financial and business matters. HSBC's work with the British Council China Program promotes cultural awareness and understanding in UK schools. An estimated 10,000 young people a year are taught Mandarin Chinese and Chinese culture through the program. HSBC provides more than 6,000 scholarships globally every year to students with strong academic potential from disadvantaged areas or families, enabling them to attend a school or university supported by the program. One example is the Chevening Scholarships, the UK Government's global scholarship program, managed by the Foreign and Commonwealth Office. The program makes awards to outstanding scholars from around the world to study postgraduate courses at universities in the UK. HSBC supports 30 scholars each year from key countries, supporting the development of talented individuals who may be future leaders.

4 QUALITY EDUCATION

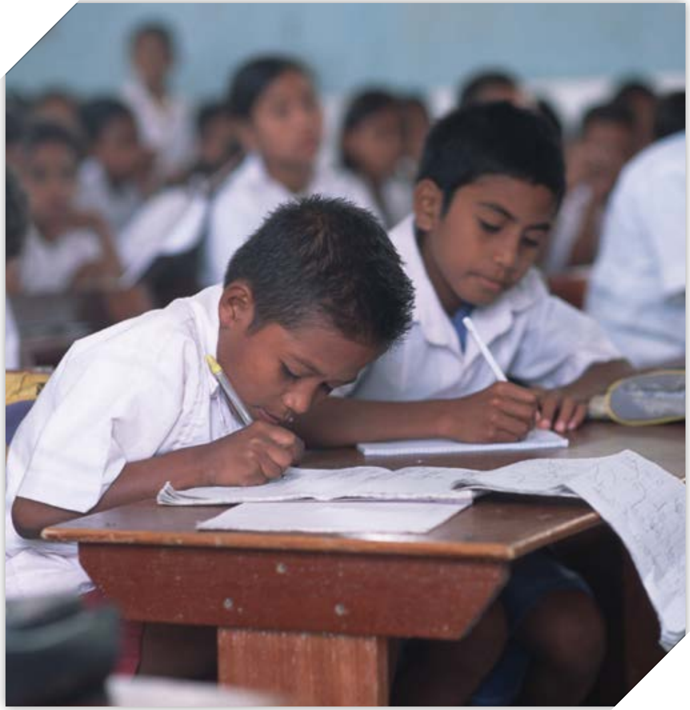


Photo: Alex Baluyut/World Bank

SDG 5

Achieve gender equality and empower all women and girls

5 GENDER EQUALITY

OPPORTUNITIES FOR SHARED VALUE

- View the **women's market** as a distinct value proposition supported by the Board and Executive Management, informed by market research and delivered with a tailored brand strategy driving progress towards clear, gender disaggregated key performance indicators.
- Design new **savings, credit and insurance products** and distribution models which enable women in high-growth markets to establish and grow businesses in both urban and rural environments.
- **Adapt credit processes** and lending methods to expand lending to women-led SMEs, for example offering collateral free loans or accepting household goods or jewelry as collateral (when legislation or custom preclude women from owning land or property title).
- Expand insurance for **maternal health**, where applicable including costs incurred in accessing public health services.
- Increase the share of **women on company Boards** and in senior roles, and invest in policies and programs which support women in the workforce and encourage organizations in the value chain to do the same.
- *Integrate the **Women's Empowerment Principles** into core business operations and value chain to ensure a comprehensive approach to achieving gender equality, and encourage peers to do likewise.*

LEADING BY EXAMPLE

- **Citi** Microfinance, in partnership with the Overseas Private Investment Corporation (OPIC), has provided more than US$365 million to fund 40 microfinance institutions in 22 countries since 2006. This investment has resulted in loans to more than 975,000 small business and individual borrowers, nine in 10 of them women.
- **Women's World Banking Capital Partners** is a women-focused and women-managed microfinance equity fund. The 27 investors represent a mix of development finance institutions, private pension funds, microfinance investment vehicles and individual investors. It has more than US$50 million under management which is invested in the provision of financial products and services to unbanked and under-banked women.
- **Several financial institutions** are participating in a Leadership and Diversity for Innovation Program with Women's World Banking, a not-for-profit organization which increases the capacity of women

Photo: Shehzad Noorani/World Bank

5 GENDER EQUALITY

leaders of microfinance institutions to successfully serve low-income women, together with Wharton business school and an executive coaching consultancy. Participation provides financial institutions with access to expertise in financial inclusion, research, product innovation, business and leadership insights.

- **MasterCard** has launched Girls4Tech, an educational outreach program that targets teenage girls to encourage STEM (science technology engineering math) careers. This program is currently live in India, Dubai, Frankfurt, and London.
- **YES BANK** runs 'YES LEAP' (Livelihood Enhancement Action Program), a Banking Linkage program through which YES BANK partners with self-help promoting institutions to provide comprehensive financial services to women-centric self-help groups, thus empowering women in rural India and strengthening their financial security. In 2014-15, YES LEAP reached over 1.2 million predominantly rural households in 250 districts. YES BANK is enhancing the program by introducing mobile tablets that can, among other roles, track payments and receipts and play health and hygiene messages.
- **Pax World Management LLC** has displayed a strong focus on women's empowerment. Women make up half of Pax World's mutual funds managers, half of the vice presidents who sit on the firm's senior management committee, half of the company's sales representatives and half of the company's sustainability research analysts. In addition, Pax has long integrated diversity analysis and other gender criteria into the company research it conducts for its mutual funds, including the Global Women's Equality Fund, the first mutual fund in America focused on investing in companies around the world that are leaders in advancing gender equality and women's empowerment. Guided by the Women's Empowerment Principles, all of Pax's funds favor investments in companies with diverse boards and management teams while seeking to avoid companies that fail to provide a safe work environment for women.
- The **Pax** Ellevate Global Women's Index Fund seeks returns that closely correspond to or exceed the performance of the Pax Global Women's Leadership Index. It is the first broadly diversified mutual fund that invests in the highest-rated companies in the world in advancing women's leadership. The Pax Global Women's Leadership Index is a customized index of the highest-rated companies in the world in advancing women, as rated by Pax World Gender Analytics, and that meet key environmental, social and governance (ESG) standards, as rated by MSCI ESG Research.
- In 2014 **Swedfund**, the Swedish Development Finance Institution, initiated Women4Growth which is a talent program supporting women to reach management levels. Together with Swedish Wiminvest and two companies in Kenya – where Swedfund is involved through direct or indirect ownership – women from each company were chosen to participate in workshops and seminars. The two investee companies, a café chain and a retailer, have many female customers and female employees at the lower service levels, and both companies understand the business case for more equal career opportunities. The program identifies women who wish to climb the corporate ladder but are held back by structures, attitudes and their own self-image. Swedfund's ambition is to apply the concept to other sectors and countries.
- **BLC**, a leading Lebanese bank, is committed to being Lebanon's market leader in creating services for women. To put this commitment into practice, in 2014 BLC hosted a series of trainings for other financial institutions in the Middle East, North Africa and Europe on best practices in: serving women's needs in the banking sector, improving women's market strategies, and implementing approaches for women owned SMEs. This training series is part of an ongoing capacity-building partnership with the Global Banking Alliance for Women.
- **CRISIL**, a global analytics company majority owned by Standard & Poor's, a business unit of McGraw Hill Financial, runs an Indian national financial awareness initiative: 'Pragati – Progress through Financial Awareness'. The Pragati workshops offer training in basic savings and investment concepts, to an audience primarily comprising rural women and female students across some of India's most financially excluded states.
- **Standard Chartered** has made diversity and inclusion commitments. These include reaching 600,000 girls through 'Goal' by the end of 2018. Goal is a global project designed and funded by Standard Chartered; empowering and motivating girls aged 12-18 who live in low-income communities by providing them with critical life skills. From 2006 to 2014, Goal empowered nearly 146,000 girls across 24 markets.
- **Goldman Sachs Group** founded the '10,000 Women' program in 2008 which aims to provide educational opportunities in business and management to women, mostly from developing countries, through the creation of partnerships with women's development organizations. Courses include marketing, accounting and strategic planning. The company has set up partnerships to help women in 14 countries. An independent report of the program in 2014 found that within 18 months of graduating 69% of participants had increased their revenues, 58% had been able to create new jobs at their businesses, and 90% of participants were involved in mentoring other women.

SDG 6

Ensure availability and sustainable management of water and sanitation for all

6 CLEAN WATER AND SANITATION

OPPORTUNITIES FOR SHARED VALUE

- Invest in, and raise **capital** for, water and sanitation infrastructure, both through public private partnerships and via off-grid enterprise solutions.
- Apply modeling expertise to help develop **financially sustainable models** for water projects, using fees and tariff structures which reflect future costs and manage usage while subsidizing connections and consumption for the poor.
- Consider **water risks** as part of investment evaluation criteria and stimulate the adoption of priced-in externalities in financial statements to show environmental and social impacts and societal value creation.
- *Consider endorsing the **CEO Water Mandate** which mobilizes business leaders to advance water stewardship, sanitation, and the SDGs – in partnership with the United Nations, Governments, peers, civil society and others.*

LEADING BY EXAMPLE

- **Zurich Insurance Group** recently announced a new collaboration with the Global Resilience Partnership to create a three-phased grant competition called the "Water Window" which will work as an incubator to help develop water related innovations in the Sahel, the Horn of Africa and Asia. The Global Resilience Partnership is convened by the Rockefeller Foundation, USAID and Sida to help millions of people in Africa and Asia build more resilient futures. The Water Window builds on the first round of the Global Resilience Challenge which focused on broader resilience solutions attracting almost 500 innovative ideas developed by cross-sectoral teams from 55 countries. The Water Window will seek to support new solutions or to scale up those that are already working that fall within one or more of the following focus areas: technology, financing including risk transfer mechanisms; measurement & diagnostics; policy; and learning and innovation. Zurich will look specifically for innovations aimed at enhancing flood resilience in line with its global flood resilience program. Zurich is the first private sector member of the Water Window and is now calling for other companies with water-related programs to join this collaboration by contributing their funds, skills and expertise.

Photo: Edwin Huffman/World Bank

- **McGraw Hill Financial**'s company Standard & Poors Ratings Services is assisting the work being undertaken by the UN Environment Program's Natural Capital Declaration and the German Government that analyzes water risk in fixed income analysis.
- **Standard Chartered** has a position statement on water which encourages clients with high water consumption to reduce their own and their suppliers' water usage and to avoid releasing effluent.

SDG 7
Ensure access to affordable, reliable, sustainable and modern energy for all

7 AFFORDABLE AND CLEAN ENERGY

OPPORTUNITIES FOR SHARED VALUE

- Facilitate the **raising of the US$1 trillion** that the International Energy Agency estimates is needed each year to 2050 to transition to a low-carbon economy by developing a broad portfolio of investment options including carbon markets.
- Apply financial expertise to **energy pricing models** which meet the three objectives of financial viability, energy efficiency and universal access, including special consideration of the energy needs of low-income communities.
- **Underwrite renewable energy developments** such as wind farms and solar power arrays to accelerate the transition to an inclusive low-carbon economy.
- Build on the responsible investment work of the Caring for Climate partners – the UN Global Compact, UNEP and the UNFCCC - to leverage sphere of **influence** to encourage other companies, people and Governments to **disclose** their environmental impacts, **reduce** their environmental footprint and decouple growth from energy use (e.g. by accurately pricing environmental risk into asset allocation and underwriting decisions).

LEADING BY EXAMPLE

- **Citi** has pledged to source US$2.5 billion in incremental capital towards Power Africa, a multi-stakeholder partnership that aims to double the number of people who have access to electricity throughout sub-Saharan Africa, thereby adding more than 30,000 megawatts of clean and efficient electricity generation to the grid, increasing access to 60 million new homes and businesses.

- Globally **Rabobank** is among the top 10 providers of finance for renewable energy, particularly financing large-scale offshore wind farms (currently in the Netherlands, Germany, the United Kingdom, Ireland, Scandinavia, France, Belgium, the United States, India, Brazil and Chile). The bank works closely with local initiators, construction companies and financial partners such as pension funds and insurers, regularly leading consortiums in which various banks participate. Rabobank structures and builds financial solutions that enable the parties involved to finance projects and to subsequently sell on the projects to institutional investors, such as pension funds. These institutional investors seek

Photo: Dominic Sansoni/World Bank

7 AFFORDABLE AND CLEAN ENERGY

acceptable returns with limited risks and often want to participate when the projects are operational.

- **Piraeus Bank** has funded over 850 Megawatts (MW) of renewable energy systems, holding 18% of the total market in Greece. This includes over 500 MW from 7,600 photovoltaic systems, over 300 MW from wind parks, as well as investments in small hydro-electric parks and biomass projects. In addition, in 2014 following changes in the legislative framework regarding electricity production from renewable energy systems, Piraeus Bank and the Green Banking unit reassessed the investment plans of individuals and particularly farmers with photovoltaic stations, at their request. This resulted in a series of measures to protect farmer loan-holders who were mostly affected by legislative changes, thus supporting the investment market in general as well as contributing to the enhancement of the income of the farmers.
- **Aviva** is one of the largest investors in residential solar in the UK. It has invested in portfolios of 24,000 domestic solar installations across England and Wales with 75MW generating capacity. This approach provides free renewable electricity to the homeowner. Aviva is also working with the UK Green Investment Bank to help fund an energy-efficient National Health Service.
- **KLP**, Norway's largest mutual life insurer, has an impact investment strategy through which it has set up an investment company together with Nordfund, the Norwegian development finance institution. This investment company is investing in new capacity for renewable energy production in developing countries, several of which have reached production stage. Also, KLP has divested from companies deriving the majority of their revenues from coal based activities. KLP is planning to use the SDGs as a framework in the further development of its impact investment.
- **Grupo Financiero Banamex** has partnered with the Inter-American Development Bank to design an innovative credit to help small and medium sized enterprises replace or install energy-efficient equipment, contributing to a reduction in their carbon footprint and an increase in their competitiveness nationwide. The product has a strong capacity building component sponsored by the Inter-American Development Bank.
- **Şekerbank** developed EKOkredi in 2009; a loan financing energy efficiency investments and expenditures in Turkey. Şekerbank is also raising awareness of energy efficiency to help household budgets and it's branch marketing staff are certified building insulation consultants. EKOkredi has provided over TL 600 million (US$200 million) in financing support. It has introduced over 60,000 retail customers and 7,000 SMEs, craftsmen and farmers to energy saving. Four million tons of CO2 emissions have been prevented, loans have funded the insulation of more than 95 thousand houses, 177 million cubic-meters of natural gas has been saved and 18.7 billion kilowatt-hour energy has been saved.
- **Swiss Re** recently intensified its renewable energy research to help its clients and the global community to develop and establish secure energy supplies for the future. Together with the World Energy Council, Swiss Re launched the three-year research project "Financing resilient energy infrastructure" to identify and characterize the nature, frequency and severity of emerging risks in renewable energy installations. Its results will help to make energy infrastructure more reliable and thus encourage investment in the sector.
- As a founding member, **Swiss Re** launched the RE100 initiative with several partner companies, setting itself the goal of obtaining 100% of its energy from renewable sources. By increasing demand, this initiative will make it more viable for power companies to build renewable energy plants. Last year, it was involved in two offshore windfarms and covered the whole construction period of both wind farms. This is particularly challenging as there is no historical information regarding the losses in this industry and highlights Swiss Re's commitment to sustainable green energy.
- **Zurich** has pledged to invest up to US$2 billion into green bonds and has already invested US$750 million. Zurich is looking at renewable energy as the main focus for green bond proceeds. It has also invested in green bonds focused on water, as well as green bonds that fall into a category of protecting, restoring and promoting sustainable use of ecosystems, managing forests, combating desertification and reversing land degradation.
- In 2014 **Swedfund** increased its financial commitment to Interact Climate Change Facility (ICCF) by investing a further €5 million in climate change projects in growth markets. ICCF finances projects in renewable energy and energy efficiency in existing power generation plants. By demonstrating the economic viability of projects, ICCF also aims to act as a catalyst and attract additional financing for the development of sustainable energy in emerging markets. Examples of projects financed by ICCF include solar energy in India, energy efficiency in existing power generation in Ivory Coast and wind power in India and Kenya.

SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8 DECENT WORK AND ECONOMIC GROWTH

OPPORTUNITIES FOR SHARED VALUE

- Strengthen **insurance and investment guarantees** for political and non-commercial risks to increase foreign direct investment in emerging and low income economies.
- Work with key stakeholders to develop practical solutions which will reverse the trend of international banks withdrawing **correspondent banking** services due to the legal and regulatory frameworks.
- Expand **microfinance** (savings, credit and insurance) for small business owners.
- Expand **finance for 'the missing middle'** i.e. small enterprises graduating from microfinance which are not yet able to access credit from the formal banking system.
- Leverage new business models and technologies to raise **diversified sources of capital** including impact investment, crowd funding (>US$1 billion raised), peer-to-peer lending and catastrophe bonds (>US$20 billion raised).
- *Provide targeted **internships** for young people from disadvantaged backgrounds in order to promote social mobility whilst also enhancing company performance through increased workforce diversity.*
- *Create opportunities for lower paid workers to develop their **skills** and gain access to improved professional opportunities, both within and outside of the financial services sector.*

LEADING BY EXAMPLE

- In 2014 **UBS** launched 'UBS and Society' to harness the powerful combination of its global capabilities and its activities in sustainable investing and philanthropy, its environmental and human rights policies, and its community interaction. UBS sees an ever stronger interest among its clients in societal issues, together with a growing desire to use their wealth to help address these issues. UBS guides its clients who want to use their resources to make a positive impact with the individuals, organizations and communities that need the most without sacrificing returns. One important innovative strategy is impact investing which focuses on investment choices which generate a positive measurable social and environmental impact whilst achieving financial returns in parallel. One example in which UBS is growing its engagement is the Loans for Growth fund which provides debt capital to specialized SMEs Financing Institutions in frontier & emerging markets thereby fostering economic development, creating jobs and contributing to poverty alleviation.

Photo: Edwin Huffman/World Bank

8 DECENT WORK AND ECONOMIC GROWTH

- **Credit Suisse** has been committed to microfinance since 2002, managing over US$2 billion of assets that are used to fund MFIs. By generating both a social and financial return for investors, microfinance is a typical example of an impact investment. Since co-founding responsAbility Investments AG and starting to offer its flagship microfinance fund to clients, Credit Suisse, in close collaboration with partners, has steadily expanded its services for the people at the base of the pyramid. It now offers additional impact funds (e.g. a fair trade fund providing working capital to agricultural cooperatives that support low-income farmers in developing countries), Microfinance Notes that provide capital to MFIs and protect them against currency fluctuations, and Microfinance IPOs that provide MFIs access to capital markets. These commercial activities are conducted in close collaboration with the Microfinance Capacity Building Initiative (MCBI), established in 2008. The current thematic focus of the MCBI is on developing financial products and services in areas such as agriculture and small-holder finance, housing and education finance, as well as extending financial services to women and people with disabilities.
- **Swedfund**, the Swedish Development Finance Institution, contributes to poverty eradication through sustainable investments standing on three pillars – Impact on Society, Sustainability and Financial Viability. Swedfund finances and establishes sustainable SMEs through partnerships with private companies and investors who share its values. The companies it finances have a positive impact on society in the countries where they operate by providing decent work, tax payments as well as knowledge and technology transfer. At the end of 2014, Swedfund's portfolio companies supported over 100,000 jobs. Fulfilment of the International Labor Organization's core conventions and basic terms and conditions of employment is a requirement in all portfolio companies within three years of the start of financing.
- **Şekerbank** continues to develop its founding community banking mission, seeking to address the challenge of approximately 15 million unbanked people in Turkey (35% of the population). Since 2006, Şekerbank has been continuously working on a microfinance project mainly to offer credit to individuals who have just established their own business and do not have sufficient funds, or to small business owners that have not yet become accustomed to banking services. Within this project, it has introduced over 26,000 craftsmen and farmers to banking services, 42% of which are females. Şekerbank is extending its microfinance project to reach more unbanked people.
- **Piraeus Bank**, in its capacity as a Regional Development Fund, manages €40 million of JESSICA funds for the financing of urban development projects in the regions of Central Macedonia and Thessaly. Moreover, Piraeus Bank co-finances the projects with €16.8 million of its own resources. The projects being evaluated include the power upgrade of road lighting systems, a solid waste management plant, and electric and thermal power generation from biogas. In addition, the Piraeus Bank Group created the ETVA Fund, a closed-end mutual fund investing in equity capital of commercially viable Circular Economy projects. The ETVA Fund mainly invests in green energy, agriculture and livestock, integrated waste management and eco industrial business parks. Over the first five years the Fund will invest up to € 50 million in projects with a total estimated budget of € 500 million.
- The **McGraw Hill Financial** Global Institute leverages essential intelligence from the world's leading data and analytics company to guide and inform public policy debates. Through its expansive research, the Institute equips global leaders with insights to promote sustainable economic growth. The McGraw Hill Financial Global Institute aims to enrich public policy debates through market-driven insights in four core areas: Economy & Growth, Infrastructure & Capital Markets, Energy & Sustainability, and Demographics & Workforce.
- **Native American Resource Partners** (NARP) provides Indigenous Nations with access to the capital, expertise, and initial capacity necessary to build the economy required to satisfy the socio-economic needs of their community. Through an equal equity business co-partnership structure, Indigenous Nations take an active role (as opposed to the traditional passive role) in the management, development, and optimization of their lands, resources, and rights. The value created through the NARP business model is shared equally by the partners and provides opportunity for the Nation to create jobs, improve environmental protection and enhancement, and attain a high degree of transparency regarding governance issues. NARP does not charge a fee and there is no recourse to the Nation should the enterprise fail. Ultimately through the NARP partnership, Indigenous Communities have the option to purchase and wholly-own the partnership-generated enterprise and create a sustainable economic endowment that will serve future generations of the Nation's membership. NARP also offers a proven financial plan to the partnering Nation.
- **Citi, Visa** Inc, Bill & Melinda Gates Foundation, Ford Foundation, Omidyar Network and USAID co-founded the Better Than Cash Alliance, which is a coalition of public, private and NGO partners working to accelerate the transition to e-payment systems globally to empower people and grow emerging economies.

SDG 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

OPPORTUNITIES FOR SHARED VALUE

- Increase **long-term finance** for public-private partnerships in transportation, renewable energy and communications infrastructure to contribute to the development of resilient cities and trade.
- Ensure infrastructure investments within sphere of influence are **environmentally sensitive** and respond to the needs of **low-income users**, women and other marginalized groups (including persons with disabilities, indigenous persons, racial and ethnic minorities and older persons).

LEADING BY EXAMPLE

- **Swedfund**, the Swedish development finance institution, has entered into a unique cooperation with H&M to create a domestic textile industry in Ethiopia which is both sustainable and responsible. It aims to create jobs with good working conditions that lift people out of poverty, especially women. Swedfund will provide local market expertise and expansion investments in suppliers to H&M, whilst H&M will contribute its textile market and sustainability expertise. The cooperation will also involve both parties setting standards for sustainable production and following up indicators such as water use and wages. By investing in production, the added value from the textile industry will to a larger extent remain in the country.

- **Munich Re**, in partnership with other insurance members of the UNEP FI Principles for Sustainable Insurance Initiative, the International Finance Corporation of the World Bank Group, and academics, is conducting a global survey to understand whether and how ESG risks are integrated into surety bond underwriting for infrastructure projects. The overall aim is to develop internationally-recognized guiding principles for surety bond underwriters when assessing ESG risks associated with infrastructure projects, such as environmental pollution, natural resource degradation, forced resettlement, poor working conditions, and corruption, as well as exposure to climate and natural disaster risks. The project could set the foundation for developing ESG guiding principles for other lines of insurance business.

- **Aviva** is targeting a £500 million annual investment in low-carbon infrastructure for the next five years. It will also target 'carbon returns' alongside financial returns on its investment and it is setting an associated carbon savings target for this investment of 100,000 tonnes of CO2 annually.

Photo: Yosef Hadar/World Bank

SDG 10
Reduce inequality within and among countries

10 REDUCED INEQUALITIES

OPPORTUNITIES FOR SHARED VALUE

- Advise **High Net Worth clients**, through banks' family offices, on investments and **strategic philanthropy** to advance sustainable development.
- Leverage new technologies such as mobile money payment services to create more efficient and effective operating and distribution models for new markets which extend **financial inclusion**.
- Expand use of new technologies such as big data and cloud computing to gain new insights which **enhance risk and opportunity analyses**.
- *Pay staff a **living wage** and encourage other companies within sphere of influence to also pay living wages.*

LEADING BY EXAMPLE

- The **UBS** Optimus Foundation has a unique relationship with UBS, seeking to use the bank's access to the world's wealthiest individuals to unlock and optimize financial support for the needs of the most vulnerable children, helping the bank's clients achieve the highest social return on their philanthropic investments. (All donations go directly to beneficiaries, with UBS covering all administrative costs of the projects.) Over the past 10 years, this has funded more than 300 programs in over 75 countries. The foundation applies an evidence-based approach towards philanthropy, prioritizing programs that focus on the well-being of children under the age of eight (because evidence indicates the critical importance of interventions during early childhood). The combination of UBS's core capabilities and its Foundation's development expertise results in a number of highly innovative projects, such as the development of innovative financing models for philanthropic investments including the first Development Impact Bond in Education with 'Educate Girls' in India.
- **Zurich Insurance Group**, together with PSI which is a global non-Government organization dedicated to improving the health of people in the developing world, launched and funded a project to determine what role private capital could play in helping NGOs to achieve more impact, and what opportunities this could present for impact investors. Zurich is currently exploring the structuring of a Development Impact Bond.


Photo: Tran Thi Hoa/World Bank

- **Bradesco Seguros** is committed to reducing inequality of access to financial services. It is present in every municipality of Brazil (including several favelas) via normal branches, very small branches and banking correspondents. In order to reach people who live along the Solimões River in the Amazon region, since 2009 Bradesco has utilized a floating branch inside a ship called Voyager III which travels along 1,600km the river. This has enabled 35,000 bank accounts to be opened and 4.5 million banking operations to be executed. In June 2014 Bradesco opened an additional branch on board of the ship Voyager V enabling each community to be visited every 3 to 4 days. During the visits Bradesco staff hold meetings with the communities to increase financial education.
- **YES BANK**'s award winning, custom built, multi-channel domestic remittance platform, YES MONEY, offers low cost, safe and highly accessible remittance services to India's millions of migrant workers who need to transfer funds to their native villages and towns. The platform leverages existing cash remittance technologies in India, its vast spread of local family owned retail stores and the pan-India network of bank branches, to meet the remittance needs of India's migrant, unbanked and under-banked population. In 2014-15, YES MONEY achieved a major milestone by crossing over $1.3 billion in remittances since its launch in 2013, with over 1.3 million unique users.
- **Several financial institutions** have become accredited Living Wage Employers for paying their UK employees a minimum of the Living Wage, an hourly rate which is set independently by the Living Wage Foundation according to the cost of living in the UK, shown to improve employee productivity and retention and reduce absenteeism. These include
  - **Aviva** which first adopted the Living Wage in London in 2005. Now everyone who works for Aviva in the UK, whether they are employed directly or subcontracted through a third party or supplier earns at least the UK Living Wage. Aviva is also supporting the campaign to get other employers on board.
  - **Barclays** Bank which in 2007 made the commitment to exceed the London Living Wage for both employees and contracted staff, reducing absenteeism and employee turnover from 30% to 4%, whilst increasing performance and satisfaction levels.

10 REDUCED INEQUALITIES

Photo: Masaru Goto/World Bank

SDG 11

Make cities and human settlements inclusive, safe, resilient and sustainable

11 SUSTAINABLE CITIES AND COMMUNITIES

OPPORTUNITIES FOR SHARED VALUE

- Expand the scope and type of **insurance data and models** which are shared with the public sector and other stakeholders to improve risk reduction and resilience.
- Collaborate with city stakeholders to analyze and increase the **resilience of interdependent systems**, such as transport infrastructure and utilities, which underpin resilience of individual assets.
- Share risk and claims trend data with the police to inform **public safety** campaigns and policing strategies to keep communities and property safe.
- Collaborate with key stakeholders to reduce **road traffic accidents**, for example by sharing data and risk management expertise and using influence.
- **Educate homeowners and businesses** about weather-resilient building materials and techniques, and offer incentives for implementation.
- Share understanding of risk to inform Government legislation **on land zoning and building codes** of practice.

LEADING BY EXAMPLE

- **Citi** partners with the C40 Cities Climate Leadership Group (a network of the world's megacities committed to addressing climate change) to provide expert pro bono climate finance research and support to help C40 cities address the sustainable infrastructure financing and implementation needs.
- **Swiss Re** continues to share its data on the potential impact of major natural catastrophic events on cities. Its publication "Mind the risk: a global ranking of cities under threat from natural disasters", formed a basis for local decision-makers, the insurance industry and the broader public to promote dialogue on both protecting lives and improving disaster preparedness as well as planning for the financial consequences of a disaster. Following up on this publication, Swiss Re also launched "Risky cities" publication series in 2014, which provided more detailed data for Los Angeles, Tokyo, Mexico City and Rome.
- **MasterCard** is a Lead Partner of the Smart Cities Council, an industry coalition to advance smart city development and innovation. This initiative will equip city leaders with the tools and resources to better plan, finance, and deploy cutting-edge smart city technologies.

Photo: Julio Etchart/World Bank

11 SUSTAINABLE CITIES AND COMMUNITIES

- **AXA**, in partnership with the PSI Initiative, is conducting pioneering international surveys on the climate resilience of cities and SMEs. For this project, more than 40 urban leaders in developed and developing countries were interviewed, and more than 1,000 SMEs in Europe, Asia and the Americas were surveyed. The project will convene urban and business leaders, including mayors, chief resilience officers, experts in urban planning and city and business resilience, to provide a platform for dialogue and new ideas and approaches to drive greater action, scale and impact.
- In 2012 **Insurance Australia Group** (IAG) initiated the formation of the Australian Business Roundtable for Disaster Resilience & Safer Communities. This followed an unprecedented number of natural hazard events (floods, cyclones, hailstorms, and bushfires) in 2011 with total losses of around A$12 billion. The roundtable is a private-public coalition covering diverse industries: insurance (IAG); banking (**Westpac**); telecommunications (Optus); property development (Investa); reinsurance (**Munich Re**); and not-for-profit (Australian Red Cross). The Roundtable's vision is to work collaboratively with the Australian Government to effect change in public policy and increase investment aimed at building safer and more resilient communities; and to actively improve the capacity of people and businesses to better withstand future natural disasters. After the Roundtable's work garnered significant attention, IAG turned its efforts into global thinking and action by sponsoring the Global Resilience Project (described on page 14).
- In 2015 **Aviva** Canada was the first-to-market in the provision of an Overland Water Coverage Option for home insurance, to provide water damage coverage for certain categories of claims not previously covered by the Canadian Insurance industry. Aviva estimates that the coverage will be available to 94% of its customers. According to Environment Canada, severe weather events that used to happen every 40 years can now be expected to happen every six years.
- **Finance Norway**, an industry association representing over 200 financial companies, undertook a study to assess the impact of using disaster loss insurance data from Norwegian insurance companies to strengthen municipalities' capacities to prevent future climate-related natural hazards and urban flooding. Funded by Finance Norway and structured as a public-private-partnership, this project gathered and transferred company data to universities and several municipalities which then applied the geo-coded data to spatial planning, especially planning of land-use and water and sanitation. Initial findings suggest that sharing this data can significantly improve land-use planning for disaster resilience.
- **Partners For Action**: Beginning in 2013/14, The Co-operators Group initiated a multi-stakeholder research and engagement effort to determine means to de-risk the Canadian residential property market from the increasingly negative impacts of overland flooding. A central component of this work was the convening of a core group of stakeholders included property & casualty insurers, policymakers, flood risk experts, professional associations, businesses and the legal community to identify winning conditions to de-risk flood potential. Research efforts have so far included studies on the viability of flood risk insurance, analysis of 15 cities' preparedness for floods, and key policy options across municipal services, utilities, telecommunications, emergency response, and other issues. In 2015, The Co-operators and Farm Mutual Reinsurance Plan announced the creation of the Partners for Action Network, hosted at the University of Waterloo's Faculty of Environment, which will continue to advance flood resiliency in Canada.
- In 2012, **Credit Suisse** conducted a joint analysis with the World Wildlife Fund of the energy and carbon efficiency of its real estate investment portfolio in Switzerland. As a result of this analysis, Credit Suisse Real Estate Investment Management (CSREIM) initiated a five-year program in cooperation with Siemens Switzerland and Wincasa to systematically record and enhance the energy and carbon efficiency of the global real estate portfolio. Through greenproperty, CSREIM initiated and implemented the first Swiss quality seal for sustainable real estate, and launched its CS Real Estate Fund Green Property for clients to invest in real estate that meets strictly defined criteria. The greenproperty label assesses and annually certifies projects and existing buildings using 35 criteria which consider utilization, infrastructure, energy, materials and life cycle.
- **Rabobank** organizes a Smart Refurbishment event in Holland, bringing together businesses and consumers to showcase home energy-saving measures. As a mortgage provider, Rabobank has a commercial interest because it likes people to invest in the properties it holds as collateral. Consumers can often finance large energy efficient renovations through their existing mortgage and Rabobank also offers a range of special financing schemes including an Energy Saving Loan.
- **Grupo Financiero Banamex** developed the Sustainable and Competitive Cities Index in collaboration with several key stakeholders including Government departments responsible for housing, public works and energy and academia. It is a yearly award for Mexican cities that meet the Index's criteria.

SDG 12

Ensure sustainable consumption and production patterns

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OPPORTUNITIES FOR SHARED VALUE

- Develop new **pricing models** which incentivize more sustainable living.
- Develop **innovative products**, such as 'pay as you drive' auto insurance and discounted premiums for energy-efficient buildings, to incentivize reduced energy use and thereby greenhouse gas emissions.

LEADING BY EXAMPLE

- Eight **Rabobank** wholesale clients active in the food & agribusiness and automotive sectors took up Rabobank's one year Circular Economy Challenge. The aim for these international companies is to utilize ideas from the circular economy to create new business opportunities. Rabobank sees circular enterprise as the leading business concept for the future, enabling companies to use less raw materials, produce less waste and operate more cost-effectively through recycling. It is convinced that by helping portfolio companies to operate sustainably, it is helping itself because these companies hold the future. Through the CE Challenge, Rabobank provides access to its knowledge, network and resources through workshops, company visits and a range of tools. The ambition is for each participating company to have drawn up a business case in the field of the circular economy by the end of the program. These business cases are tested and translated into new circular products or services and presented to a judging panel.
- **Rabobank** has a partnership with the World Wide Fund for Nature to set up projects together with customers creating business models for sustainable food production. Rabobank considers this partnership good for biodiversity, entrepreneurs and the bank. The two partners are focusing on developing six projects further, and sharing the insights and knowledge acquired in the process so that many more farmers, fishermen and horticulturists will be able to reap the rewards. The six projects include: increasing the sustainability of soy production in Brazil, in tandem with livestock farming and the preservation of the tropical rainforest; increasing the sustainability of salmon farming (aquaculture), mindful of the ecology and needs of local communities; and the sustainable production of sugar cane in India, resulting in a reduction in the business and ecological risks associated with water usage and carbon dioxide emissions.

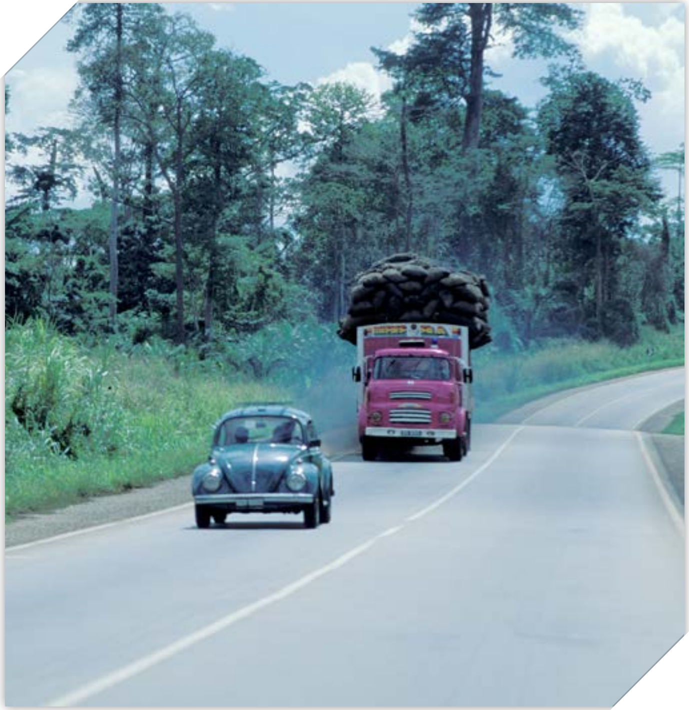


Photo: Curt Carnemark/World Bank

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- The '**Aviva** Drive' smartphone app rates driver behavior and provides discounts to safer, more fuel efficient drivers, increasing access to insurance and encouraging responsible driving.
- **Aviva** has rolled out a new claims management process so that all property claims are dealt with in a more sustainable way, with no change of policy wording or new policy. By working collaboratively with its three main claims damage management suppliers, dramatic improvements have been made in carpet restoration, waste recycling, and claims settlement times. In respect of the waste from its own business operations, Aviva has a UK zero to landfill target by the end of 2015, and zero to landfill on a group wide basis by 2020.
- In 2010 **Daegu Bank**, DGB Financial Group's main subsidiary, opened an internet-based, environmentally-friendly branch in Korea. Its branch only offers green financial products covering deposits, loans, funds and credit card products, and donates a certain percentage of the profits to support regional environmental preservation activities.
- **Swedfund** (the Swedish development finance institution) published 'Sustainable Business - Swedfund's Integrated Report 2014' which is a totally integrated report in which sustainability related information in the director's report is fully integrated with financial data, and vice versa. The Board signed the integrated report and publishes it in its entirety and the report is subject to external audit. Swedfund has worked to implement integrated thinking in all its processes including measurement and reporting on results. It has implemented a number of results indicators measuring its portfolio companies on its three pillars, including country-by-country tax reporting, fulfillment of ILO core conventions, and implementation of ESG management systems.
- **DKV**'s Ecofuneral is a funeral expenses insurance policy that beyond having its benefits, coverages and services has an ecological side that promotes sustainable practices and reduces the carbon footprint usually produced from passing. Ecofuneral is the first funeral expenses insurance policy with the ecological certificate SFE 07:02 by Terra, a recognized environmental organization. Ecofuneral's sustainable practices include: proximity-wood-made coffins, with sustainable forestry certifications and without varnishes, trims or pigments; urns without synthetic, metallic or plastic components and mortuaries and crematoriums with ISO 14001 certification. It includes collaboration on projects to improve the environment through conservation and reforestation.
- **Standard Chartered** has committed to reduce energy use intensity in its operations by 35% in tropical locations and 20% in temperate locations between 2008 and 2019; reduce water use intensity in its operations by 71% between 2008 and 2019; and continue to embed its Supplier Charter which sets out the environmental and social standards it expects of its suppliers. Between 2008 and 2014, Standard Chartered reduced its energy use intensity by 9% in tropical and 22% temperate locations and reduced its water use intensity by 9%.
- **HSBC** set a goal in 2011 to cut its annual per employee carbon dioxide emissions by one tonne – from 3.5 to 2.5 tonnes – by 2020. By the end of 2014, emissions had fallen to 2.9 tonnes – thanks to the support of employees and suppliers (including JLL, HSBC's Global Facilities Management provider, which is contractually committed to reduce HSBC's energy consumption each year). HSBC UK has started generating its own renewable, zero-carbon electricity, through an innovative agreement with two UK wind farms that will reduce its carbon footprint from electricity by 40%. By signing long-term power purchase agreements, HSBC is supporting the construction of wind farms in the UK and the decarbonisation of its own energy supply by directly bringing new additional renewable energy capacity online. HSBC also signed a power purchase agreement with a 10-megawatt solar power plant in Hyderabad, India, which came online to provide the Group with clean energy in August 2014, to power three Global Service Centers and a Technology Centre in India. HSBC played a key role in facilitating the project by agreeing to purchase the plant's energy at a Government backed fixed price for the next ten years.
- **Borsa İstanbul** started to calculate the BIST Sustainability Index in November 2014, providing companies with the opportunity to compare their sustainability performance locally and globally. It provides a platform for institutional investors to demonstrate their commitment to companies performing strongly on ESG issues and it increases sustainability awareness, knowledge and practices in Turkey. The Index provides companies with an instrument for evaluating their performance and consequently adopting new targets or furthering their performance while allowing them to develop their risk management abilities for corporate transparency, accountability and sustainability. This, in turn, allows companies to gain a competitive edge. Borsa Istanbul also published a "Handbook for Sustainability Guidance" to help companies integrate ESG factors in their decision making and business processes and launched a Sustainability Platform to increase knowledge sharing.

SDG 13

Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION

OPPORTUNITIES FOR SHARED VALUE

- Invest in – and/or raise **finance** for - climate risk mitigation, climate resilience and climate adaptation including climate and green bonds, and other debt and equity instruments.
- Increase coverage of national and regional natural **catastrophe insurance** schemes.
- Integrate climate risks into **underwriting practices, investment analysis and decision making**.
- Evaluate the risk of 'stranded assets' and consider global exposure limits or divestment across industry segments such as **fossil fuel** energy generation, coal mining, coal transportation infrastructure and unconventional oil extraction.
- Be an **active steward** of investments in portfolio companies, engaging with management and exercising shareholder voting rotes to influence more climate-sensitive and climate-resilient business strategies that are inclusive of men, women and children.
- Measure and publicly disclose the **carbon footprint of investment portfolios** on an annual basis in accordance with The Montréal Carbon Pledge (including listed equities, fixed income, private equity, property and infrastructure).
- Take steps to **measure, reduce and report climate exposure** and progress on actions to confront climate change, continuing to increase the level of transparency and consistency of reporting across the industry sector.
- *Consider supporting **"Caring for Climate"** which is the UN Global Compact, UNEP and the secretariat of the UNFCC's initiative aimed at advancing the role of business in addressing climate change (endorsed by nearly 400 companies from 60 countries).*

LEADING BY EXAMPLE

- In 2014 the insurance sector, represented by **the International Cooperative and Mutual Insurance Federation** and the **International Insurance Society,** pledged to double its planet-smart investments to US$84 billion by December 2015 and to increase planet-smart investments tenfold to US$420 billion by 2020.
- **Swiss Re** announced that by 2020 it will have advised 50 sovereigns and sub-sovereigns on climate risk resilience and offered capacity of US$10 billion against climate risks.
- **Citi** has made a 10-year US$100 billion commitment to finance activities that reduce carbon emissions,

UN Photo Library

13 CLIMATE ACTION

help communities adapt to climate change and directly finance sustainable infrastructure such as green housing.

- **AXA** has committed to divest "from companies most exposed to coal-related activities", totalling €500 million. AXA has also committed to triple its green investment to over €3 billion by 2020, coming principally from investments in clean technology private equity, green infrastructure, impact investment and green bonds.

- **HSBC** is one of a number of financial institutions that is playing an important role in shaping the fast-developing green bond market. Also, for more than 10 years, HSBC has been working with its business customers to help them understand and manage their environmental and social impact with a focus on certain sectors and themes. HSBC assesses and supports customers using its policies which it regularly reviews and refines. HSBC's Energy Sector Policy severely restricts the bank's support for coal-fired power plants, while recognizing that the shift to a low carbon economy will take time and that fossil fuels will be an important part of the global energy mix for the foreseeable future.

- In 2011 **Storebrand/SPP** made its first investment in a Green Bond, and by the end of 2014 Storebrand/SPP had invested over NOK 4.5 billion (US$545 million) in green bonds. In 2015 Storebrand/SPP launched a Green Bond Fund "SPP Grön Obligationsfond" which is an actively managed bond fund focusing on sustainability. The bonds invest in projects such as renewable energy, waste management and drinking water supply and water treatment facilities. The fund is managed in accordance with Storebrand's sustainable investments policy which covers human rights, corruption, climate and environmental damage, controversial weapons, tobacco and companies with a low sustainability rating. Approximately 170 companies are excluded from its investment universe. Further the fund does not invest in companies involved in the extraction of fossil fuels, coal intensive power producers and companies where more than 5% of turnover from weapons, alcohol, casino and gaming and pornography.

- **YES BANK** issued India's first Green Infrastructure Bonds to raise INR 10,000 million (US$160 million) to exclusively fund its renewable energy commitments, thus opening the door for this instrument in India. The INR 5,000 million issue, with a greenshoe option, was oversubscribed demonstrating strong demand for these instruments in India. In August 2015, YES BANK raised another INR 3,150 million (US$50 million) from the International Finance Corporation (IFC) through its Masala Bonds launched on the London Stock Exchange, which were the IFC's first investments in an emerging market's green bonds.

- In July 2015, **Aviva** released its Carbon Strategy that includes commitments to: Continue to explore ways to integrate carbon risk, alongside other material ESG issues, and actively seek to collaborate to publish new research and insights; Target a £500 million annual investment in low-carbon infrastructure for the next five years - also targeting 'carbon returns' alongside financial returns on its investment and setting an associated carbon savings target for this investment of 100,000 tonnes of CO2 annually; Support strong policy action on climate change –supporting policymakers in negotiating a credible long-term greenhouse gas reduction goal at the UN Framework Convention on Climate Change negotiations in Paris in December 2015 and beyond that at a national and regional level; Active stewardship on climate risk – actively engage with companies to achieve climate-resilient business strategies; Divesting where necessary where it considers insufficient progress is being made.

- In 2013, **Zurich Insurance Group** launched a global flood resilience program to improve community resilience to floods by bringing together leading humanitarian organizations (the International Federation of the Red Cross and Red Crescent Societies and Practical Action), academia (IIASA & Wharton School) and the private sector (Zurich). By using complementary skills and expertise the program is finding new ways to enhance resilience in both the developed and developing world. Some of the key achievements to date are:

  – Research has proven the potential saving from investing in pre-event risk reduction instead of post-event relief and Zurich is using these findings in its public policy work across the globe.

  – Community programs benefit 275,000 people in Indonesia, Mexico, Nepal, Peru and the United States. After the first two years of work, the implemented solutions have made them more resilient to floods and this work is now being scaled to reach more communities.

  – Through the cross-sector partnership, a flood resilience measurement framework has been produced to help prove impact and identify resilience gaps. The framework, which is being adapted by other humanitarian organizations as the general standard, is based on the sustainable livelihoods framework and Zurich's methodology for rating customers' exposure to various risks.

13 CLIMATE ACTION

- **Insurers, reinsurers and brokers** have collaborated with Governments and other stakeholders to provide regional catastrophe index-based risk insurance which provides short term liquidity to Governments when certain rain and/or wind measurements exceed a contractual threshold. Notable facilities include the Caribbean Catastrophe Risk Insurance Facility, the Pacific Catastrophe Risk Assessment and Financing Initiative, the Central America Natural Disaster Insurance Facility and the Turkish Catastrophe Insurance Pool.
- **Sompo Japan Nipponkoa Insurance Inc.** joined the Pacific Catastrophe Risk Insurance Pilot Program established by the World Bank and the Japanese Government in 2013, following the insurer's proactive involvement in the study project since it was proposed in 2009 at the PALM (Pacific Islands Leaders Meeting held in Hokkaido). Meanwhile, to promote climate change adaptation, Sompo Japan Nipponkoa has underwritten derivative contracts in Japan and overseas and strived to accumulate advanced financial technologies and know-how.
- **Sompo Japan Nipponkoa Asset Management Co.,Ltd.** sells 'Sompo Japan Green Open' which is an investment trust (fund). It invests in companies that are highly evaluated both in terms of their environmental initiatives as well as on their value of investment. It was launched in September 1999 and has grown into one of the largest Socially Responsible Investment funds in Japan with a net asset value of approximately 23 billion yen (US$195 million) as of June 30, 2015.
- **NRW.BANK**, a state owned development bank, actively supports the of the State of North Rhine-Westphalia (NRW)'s climate protection policy. It aims to increase environmental driven standards of living, reduce NRW's global carbon footprint, mitigate the impacts of climate change, improve ecological water management and contribute to the protection and promotion of biodiversity. It established the NRW.BANK Green Bond Program in 2013 to increase visibility of its sustainable loan book and issued a second Green Bond in 2014. NRW.BANK Green Bonds will be issued regularly to highlight its activities to capital markets participants, support further development of the Green Capital Market and trigger more investments in green assets. NRW.BANK aligned the program to the Green Bond Principles and obtained third party assurance and an impact report for the NRW.BANK Green Bond 2014.
- **Piraeus Bank**, during the European Union co-funded LIFE climabiz project, created an innovative software tool 'the Climate Risk Management Model (CRM)' to quantify financial impacts and business opportunities that arise from climate change. A scientific paper was published in the Journal of Environmental Planning and Management, titled "A methodological framework and tool for assessing the climate change related risks in the banking sector". The CRM Model estimates: costs of physical and regulatory climate risk at a sector, subsector and company level; costs and benefits of the practices that a company can apply to reduce climate risk; environmental footprint at subsector and company level; and the opportunities arising of climate change. The model raises awareness and educates shareholders, suppliers, employees and the broader public about tackling climate change and adapting to the new conditions, whilst also guiding and supporting companies towards a smoother adaptation to climate change.
- **Piraeus Bank** supports and provides funding for investments aimed at environmentally and socially responsible actions. It has created a series of green banking products and advisory services, supporting both businesses and consumers, allowing for economic development that preserves natural capital and enhances quality of life. All Piraeus Bank Group green products promote projects in renewable energy, energy efficiency, green transport, alternative waste and water management, organic and responsible farming, green chemistry and eco-tourism / agrotourism. By the end of 2014, Piraeus Bank had approved green loans totaling € 1.6 billion, financing over 20,000 individual and businesses and preventing the annual emission of 1,500 thousand tonnes of carbon dioxide. Renewable Energy Systems projects reached 860MW of installed capacity.
- **Aviva** commissioned and sponsored (together with KPMG) an Economist Intelligence Unit report 'The cost of inaction: recognizing the value at risk from climate change' in order to highlight the importance of climate change to the asset management industry and beyond. The report estimated US$4.2 trillion value at risk. At Rio+20 Aviva helped the inclusion of corporate disclosure in the outcome document and it is now calling for a consistent and comparable international approach to corporate disclosure of sustainability performance to enable sustainable capital markets. Also Aviva, along with other insurance companies, participated in a survey and series of roundtables convened by the UK's insurance regulator (the Prudential Regulatory Authority) on the safety and soundness of insurers with respect to climate risk. Aviva was at the forefront of calling for and supporting the development of the Sustainable Stock Exchange Initiative. Aviva continues to lobby for more inclusive forms of capitalism based on long term investment decisions that support the implementation of the SDGs.

SDG 14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

14 LIFE BELOW WATER

OPPORTUNITIES FOR SHARED VALUE

- Adopt position statements, guidelines and **policies** which drive sustainability within client and investee companies.
- Share **marine risk expertise** with Governments and companies to better mitigate and manage risks arising from fishing and aquaculture, shipping, and deep-sea oil, gas and mineral extraction.
- Further research and quantify the **value of ecosystem services** to send an economic signal for increased investment in the protection and restoration of natural habitats such as mangroves which will in turn reduce insurable risk.

LEADING BY EXAMPLE

- **Standard Chartered** has developed a position statement on fisheries, which it applies to all its debt, equity and advisory services referencing the good practice principles and standards it will use to assess clients' capacity to manage potential adverse environment and social impacts, and practices which would preclude a company from being a client such as drift net fishing and deep sea bottom trawling.
- **Standard Chartered** has a position statement on ship breaking which encourages clients to work towards adhering to recognized good practice guidelines and precludes financing operations under certain conditions for example ships which do not have a Green Passport or which would significantly affect wetlands of international importance.
- **Swiss Re** is collaborating with The Nature Conservancy to incorporate nature-based coastal adaptation measures into open source risk models and maps, informed by assessment of the cost effectiveness of green (e.g. mangroves) and grey (e.g. seawalls) infrastructure solutions.

Photo: Edwin Huffman/World Bank

SDG 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

15 LIFE ON LAND

OPPORTUNITIES FOR SHARED VALUE

- Use innovative financial tools (such as green bonds and impact funds) to **raise finance** to preserve forests and ecosystems.
- Apply the Sustainable Forestry Policy Sector Standard and Roundtable on Sustainable Palm Oil Principles and Criteria to **business relationships and investments** in the forestry and palm oil sectors.
- For transactions in emerging markets, apply the issue-based International Finance Corporation ('IFC') **Performance Standards** and the 63 sector-specific IFC Environmental Health and Safety Guidelines.
- Share data, research and tools to increase understanding of the dynamics and **value of ecosystem services** to send an economic signal for increased investment in the protection and restoration of natural habitats which will in turn reduce insurable and investment risk.

LEADING BY EXAMPLE

- **Eleven banks** representing 50% of global trade finance have formally adopted the Banking Environment Initiative's 'Soft Commodities' Compact, which aligns the banking industry with The Consumer Goods Forum's resolution to help achieve zero net deforestation in their supply chains by 2020. As a result of this industry-to-industry collaboration, a new trade finance product has been developed, the Sustainable Shipment Letter of Credit, which enables banks to reduce the cost of importing sustainably certified palm oil into emerging markets – a key source of global demand that is not currently prioritizing sustainable production methods, in part due to price sensitivity.
- In 2004, **HSBC** was one of the first banks to introduce a Forest Land and Forest Products Sector Policy covering environmental, community and climate issues. In 2014, HSBC issued revised Forestry and Agricultural Commodities policies, and started to engage its customers in these sectors, offering advice on how they might achieve the new deadlines set by the bank to achieve independent certification of their operations. As a result, HSBC's customers in Malaysia, Indonesia,

Photo: Curt Carnemark/World Bank

15 LIFE ON LAND

mainland China, Taiwan, South Korea, Thailand, Turkey and Mexico decided to have their operations certified. One example is an Indonesian palm oil processing, refining and export company, where the management sought expert advice from third parties to understand more about certification from the Roundtable on Sustainable Palm Oil (RSPO), which they found was less complex than they had imagined. Two units of the company obtained RSPO certification in June 2014. In February 2015, HSBC was recognized as the leader in the Forest500 ranking of 150 investors' policies on the sustainability of forest commodity supply chains. HSBC also offers a discounted prepayment export finance product for trade flows of certified sustainable palm oil. The product launched in Singapore and Indonesia in 2014 and in Malaysia in early 2015. The first deal completed on this structured, bespoke financing was for a major palm oil exporter in 2014.

- **Standard Chartered** has a position statement on forestry which outlines the standards it encourages or expects its clients to align to. It applies to all debt, equity and advisory services provided by the Bank for new and existing corporate and institutional clients, and lending provided to commercial clients, and business clients in its retail segment.
- **Credit Suisse** published a study in 2014 co-authored with the World Wildlife Fund and a management consultant that analyzed innovative private sector financing structures in conservation and identified the barriers and enablers to scaling up such approaches. It then launched its first conservation investment product, the Nature Conservation Notes, which invests in sustainable agroforestry and ecosystem conservation, as well as in a portfolio of sustainable bonds. These Notes supports conservation activities in around 20 countries as well as the economic development of local communities through Althelia Climate Fund finance. Financial returns for investors are generated through the sale of sustainably certified commodities as well as from payments for ecosystem services.
- **MS&AD Insurance Group** has provided an initial biodiversity risk assessment service developed by its group company, InterRisk Research Institute & Consulting, Inc. With this service, various existing information sources and databases such as the Integrated Biodiversity Assessment Tool are utilized to conduct a simplified assessment of risks on planned development sites and raw material suppliers around the world (without actually visiting these sites). The target risk areas include biodiversity, water, indigenous peoples' rights, and other environmental / social issues. By providing this service to business organizations, they can assess biodiversity risk at the site selection stage and take necessary measures (e.g. avoid sites that need to be conserved).
- **Piraeus Bank**, with co-funding from the European Union, aspires to create a sustainable management and financing system for the important degraded wetland ecosystem of Stymphalia in Greece, designated under the EU's Natura 2000 natura and biodiversity policy as one of Europe's most valuable and threated habitats. The aim of the project, which is expected to end by 2017, is to improve the conservation status of wetland habitats and species and to ensure a sustainable business scheme which will generate revenues by utilizing reed biomass removed from the wetland and the area's unexploited biomass from agriculture residues. Thereby, it will be feasible to create viable schemes for the continuation of the wetland's protection after the end of the project, by ensuring that the necessary financial resources will be generated by the wetland's management.

SDG 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OPPORTUNITIES FOR SHARED VALUE

- Collaborate with the World Bank, the Financial Stability Board and other stakeholders to **reduce illicit financial flows** by ensuring that cross-border financial flows use formal financial systems and scaling technical solutions such as the global Legal Entity Identifier system (which standardizes identification) and Know Your Customer platforms that help avoid duplicating due diligence work.
- Collaborate with other institutional investors on emerging or controversial issues to **promote responsible business** in high-risk areas, ensuring investee companies see a clear correlation between responsible business and availability and pricing of capital.
- Engage with a range of local stakeholders, including civil society, to better understand the local context in **high-risk areas** including risks and perceptions of prospective and existing investee companies.
- Consider opportunities for **social enterprise** and impact investment ventures particularly in post conflict countries where SMEs and micro-enterprises play a critical role in providing jobs. Ensure these opportunities are inclusive and support the development of marginalized groups including women, persons with disabilities, indigenous persons, and racial and ethnic minorities.
- Pool insurance claims, underwriting and risk data, making it available to organizations involved in **crime prevention** to help inform their activities.
- Develop systems and processes to tackle **human trafficking** (e.g. due diligence mechanisms that better track cash flows) and provide financial services products which support victims of violence (e.g. insurance services that meet their needs).
- Avoid financing transactions which would displace **indigenous people** unless they have provided free, prior, informed consent.
- *Consider joining **Business For Peace** which is a platform of over 130 leading companies from 37 countries dedicated to catalyzing collaborative action to advance peace.*

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16 PEACE, JUSTICE AND STRONG INSTITUTIONS

LEADING BY EXAMPLE

- **MasterCard**, in partnership with the Government of Nigeria, has rolled out a biometric National eID Card to more than 13 million Nigerians with electronic payment functionality. This program will reach more than 100 million Nigerians, making it the broadest financial inclusion initiative of its kind on the African continent.
- **Aviva** and the NGO Plan have partnered with the Indonesian Government to improve legislation and provision of birth registration for street children in Indonesia. Accurate personal data is key to insurance provision but basic legal identity, founded on birth registration, is also vital to accessing education, healthcare and justice. Further, Governments can only plan services for people who officially exist.
- In 2014 **Standard Chartered** more than doubled the staff working in Financial Crime Compliance. It has internal financial crime prevention policies and every year more than 80,000 of its employees complete training to prevent bribery, corruption and money laundering. It also has a human rights policy.
- **Calvert Investments** has supported "public policy initiatives and direct engagement efforts" to promote transparency within supply chains and ensure companies are not fuelling conflict in the Democratic Republic of Congo ('DR Congo'). This includes, for example, helping draft an investor response to the Securities and Exchange Commission's proposed implementing rules for those provisions of the Dodd-Frank Act relating to conflict minerals. This emphasizes the need for "investors to be provided with valuable and consistent disclosure that is necessary to make informed investment decisions". Calvert has also stated its support for Californian legislation prohibiting state contracts with companies that fail to comply with federal reporting requirements on conflict minerals. In addition, Calvert has worked with other ethical investors, NGOs and companies to "leverage our collective influence" in addressing human rights and labor abuses in the DR Congo. This includes research and development of relevant best practices policies and procedures. Calvert's initial efforts were focused on the electronic industry and then expanded to include the medical device, aerospace and defense, and automotive sectors.
- **Ace Group**, a global insurance company, established a 'Rule of Law Fund' which provides grants to organizations and initiatives that support rule of law worldwide. The fund targets specific rule of law initiatives such as sponsoring conferences that focus on building frameworks for legal institutions in conflict zones and building pro bono efforts in developing countries.
- **Norwegian Government Pension Fund**'s internal Council on Ethics has published 10 recommendations to guide the Government of a Scandinavian country on excluding unethical investors from the Fund's portfolio (majority Government owned). Recommendations related to the production of weapons in that country, working conditions and environmental damage. All of these recommendations were adopted by the Government.
- **MN Services** (a fiduciary manager), the lead investor in the engagement group of an African country, has led high level meetings with the Minister of Finance and the Secretary General of the Ministry of Mining of that country to address the implementation of the Comprehensive Peace Agreement, fair revenue sharing and other human rights related issues.
- **An asset manager** commissioned independent research into an investee company's operational risks and benchmarking practices against other companies operating in high-risk areas, resulting in the investee company improving its public reporting.
- Collective action was instrumental in enabling a group of **institutional investors** to establish an open dialogue with a group of extractive investee companies, including state owned enterprises, operating in a conflict-affected nation, thereby providing better insight into risk.
- A **private US bank** has committed to invest in physical infrastructure in post-conflict countries to enable necessary financial transactions to take place whilst reducing corruption and increasing transparency.

SDG 17
Strengthen the means of implementation and revitalize the global partnership for sustainable development

17 PARTNERSHIPS FOR THE GOALS

OPPORTUNITIES FOR SHARED VALUE

- *Strengthen the link between corporate and societal value creation and align the organization's **value creation strategy** to the Sustainable Development Goals.*
- Adopt **good practice principles and guidelines** which better align business practices with the SDGs.
- Engage in **multi-stakeholder initiatives** advancing sustainable development.
- Develop a set of **Financial Services** (or banking, investment management and insurance) industry goals aligned to the SDGs and align corporate strategy to those goals to optimize contribution to sustainable development.
- *Establish a robust **impact measurement framework** for corporate, multi-stakeholder partnership and industry level contributions to sustainable development including regular monitoring and transparent evaluation and reporting.*
- *Collaborate with other financial services companies and stakeholders to provide **industry perspectives** to Governments, policymakers, legislators and regulators on the sustainable development impact of legislative, regulatory and tax frameworks including recommendations for improvement.*

LEADING BY EXAMPLE

- Several financial institutions are constructively engaging in international led processes including the four intergovernmental negotiations taking place in 2015 (i.e. the World Conference on Disaster Risk Reduction, the World Financing for Development Conference, the Summit to Adopt the Sustainable Development Goals, and the United Nations Climate Change Conference) as well as the preparations for the 2016 World Humanitarian Summit.
- Insurance sector initiatives and membership organizations (including the UNEP FI Principles PSI Initiative, the International Insurance Society, the Geneva Association and the International Cooperative and Mutual Insurance Federation) are demonstrating leadership in researching, debating and promoting the role of insurers in sustainable development. This includes an explicit recommendation to create a set of Insurance Development Goals, based on a pioneering global consultation by the PSI Initiative and the UNEP Inquiry on how insurance companies and insurance regulators could better support development through to 2030.

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KEY CONTRIBUTORS

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