

P&I | CONFERENCES

ESG Investing Breakfast Briefing

San Francisco: June 6 | Chicago: June 8 | New York: June 13

KEY NOTE CASE STUDY

UNJSPF 

Speakers:

Carol Boykin, RSG, UNJSPF

Herman Bril, Director, UNJSPF



About the UNJSPF

- \$59 billion global pension fund for 23 member organizations
- 200,000 participants in 190 countries (2/3 actives & 1/3 retirees)
- Benefits paid in 15 currencies
- 3.5% real rate of return
- 85% internally managed

ESG is embodied in the values of the UN

What does ESG mean for the UNJSPF?	
Humanitarian Organization	Responsibility to Society
Fiduciary	Best Interest
Armaments & Tobacco	Origins – WWII; WHO
Sustainable Development Goals	Economic/Impact – Win/Win

The ESG journey

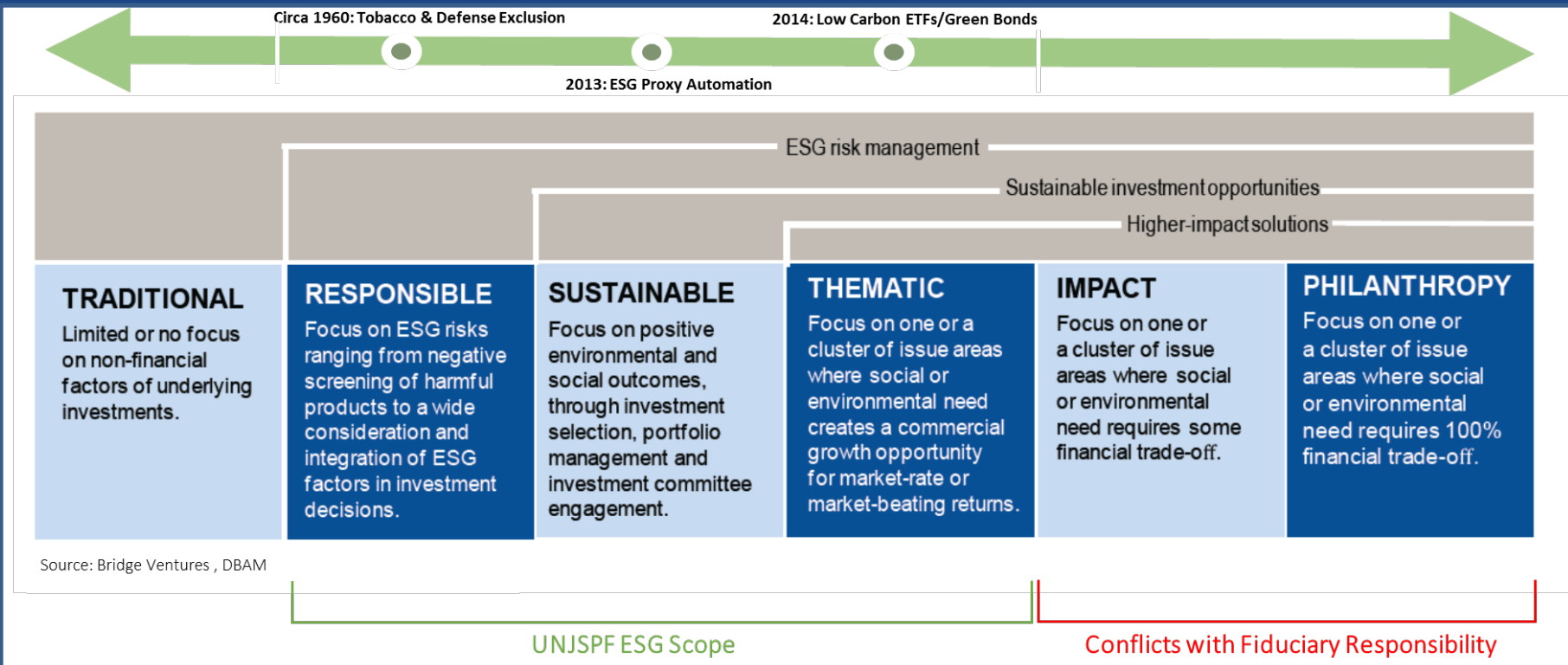
- Tobacco and armaments exclusion
- Responsible Investments (UN-PRI)
- COP 21 Paris – Climate Change
- ESG is incorporated in SDG



How does the UNJSPF implement ESG?

How does the UN implement ESG?	
Founding signatory to the UN supported Principles for Responsible Investing (PRI)	Customized ESG Proxy Policy
Armaments & Tobacco	Restrictions on Holdings No Benchmark Adjustments
Climate Change	Economic/Environmental Win/Win
SDGs	Holistic ESG integration in all asset classes

The ESG Universe Spectrum



Source: Bridge Ventures , DBAM

Internally Managed Equity

- No coal investments in United States
- Not divesting
- A seat at the table
- Engagement through encouragement
- Proxy Voting Policy includes ESG

Our ESG toolbox

ESG Universe Radar Screen: Reputational Risk Management & Universe Monitoring



ESG Portfolio Analytics: Snapshot Scoring, Custom Screening, Attribution & Carbon Intensity & Footprint Analysis



Bloomberg

ESG Company Analytics: Deep-dive Analytics, Scoring & Trend Summary & Qualitative Analysis



Bloomberg

Corporate Engagement: Company Engagement, Record Retention and Proxy Voting (ESG & Controversies)



ISS
CORPORATE SOLUTIONS

PRIVATE SPHERE

Carbon Footprint Measurement

- Measuring carbon footprint of internally managed equity
- Not disclosing carbon footprint yet
 - Measurement disclosure not standardized yet
 - Tested measurement services of several providers
 - Measurement methodology not consistent
- Not managing to a carbon footprint target
- Carbon Footprint lighter than MSCI ACWI

Externally Managed Equities

- Low Carbon ETFs
- Low Carbon ACWI developed by MSCI
- LOWC – State Street Global Advisors
- CRBN – BlackRock
- Two full years of performance data
- Tracking closely
- Using our influence – enabling retail investors to participate

Fixed Income

- Green Bonds
 - Must be competitively priced
 - Demand exceeds supply
 - Increased supply on the horizon

Private Equity

- Externally managed funds
- Many fund managers provide ESG reports and have dedicated ESG staff
- Funds include renewables in Africa & Central America

Real Assets

- Externally managed funds
- Funds include Leed and Breeam certified buildings
- Funds include renewables in Africa, Central America, Latin America, Europe and U.S.

Together, we can make a difference!

- ESG alignment with fiduciary responsibility
- ESG is a relevant investment factor
- Incorporating ESG improves L-T risk/return profile
- Holistic ESG integration makes sense
- Win/Win: Economics & Sustainability
- Most investors call it ESG
- Most policy makers call it SDG
- They are inherently aligned.

“Climate action is gathering momentum not just because it is a necessity but also because it presents an opportunity to forge a peaceful and sustainable future on a healthy planet” **António Guterres**



UNJSPF

AODP GLOBAL CLIMATE 500 ASSET OWNERS INDEX

UNJSPF receives AAA rating for climate change from AODP

The UN Joint Staff Pension Fund received a 2017 rating of AAA from the Asset Owners Disclosure Project (AODP) for incorporating climate change considerations in its investments. AAA is the highest rating. AODP rated 500 asset owners globally, and only 17 of them were rated AAA. The UN Joint Staff Pension Fund is rated #17 among all of the asset owners who were rated this year. Last year, the Fund was at #20, with a rating of AA.