



# Increasing investor focus on ESG and the industry reaction

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What does Responsible  
Investment look like?

Populism and ESG

Investor preference

UN PRI

Integrating ESG considerations

# RI spectrum

Financial return

Environmental and social impact

Traditional	Screening	ESG integration	Themed	Impact first	Philanthropy
	Responsible investing			Impact investing	
Limited or no focus on ESG factors of underlying investments	Focus on ESG risks ranging from a wide consideration of ESG factors to negative screening of harmful products	Focus ESG on opportunities, through investment selection, portfolio management and shareholder advocacy	Focus on one or a cluster of issue areas where 'E' or 'S' need creates a growth opportunity for market-rate or market-beating returns	Focus on one or a cluster of issue areas where social or environmental need requires some financial trade-off	Focus on one or a cluster of issue areas where social or environmental need requires 100% financial trade-off



Populism

# Existentialism

“ When we are no longer able to change a situation... we are challenged to change ourselves. ”

Frankl

# Investor preference

The world's most influential companies, committed to 100% renewable power.

**Money Pours Into Sierra Club at Frantic Pace After Trump Victory**

Business and world leaders criticise Trump's Paris exit

*US pension giants team up with blue-chip companies to press Trump on low carbon*

**Landmarks around the world light up green in protest over Donald Trump pulling out of Paris accord**

*Top US investors and companies unite to promote low carbon future ahead of Trump inauguration*

\$68tn

PRI AUM

300%

growth in UK  
ethical investment

78%

AOs ESG as  
top five issue

69%

UHNW  
millennials  
interested

# Existentialism

“ He, who has a why to live for, can bear almost any how. ”

Nietzsche



Climate change

COP21 conference 2015

2°C

Five year updates

Starts 22 April

Climate change

Paris Agreement and Trump

Investor preferences

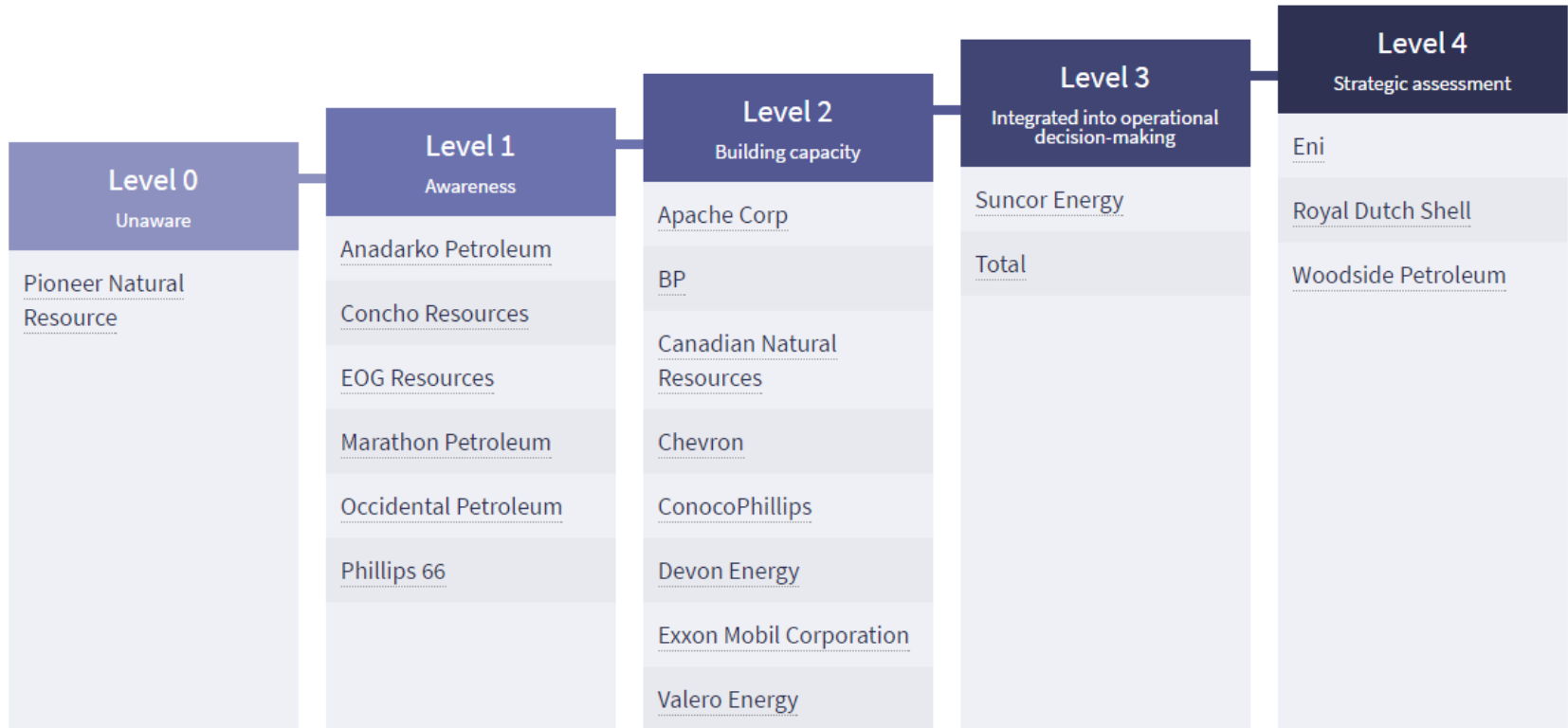
Consultants

# Transition Pathway Initiative (TPI)

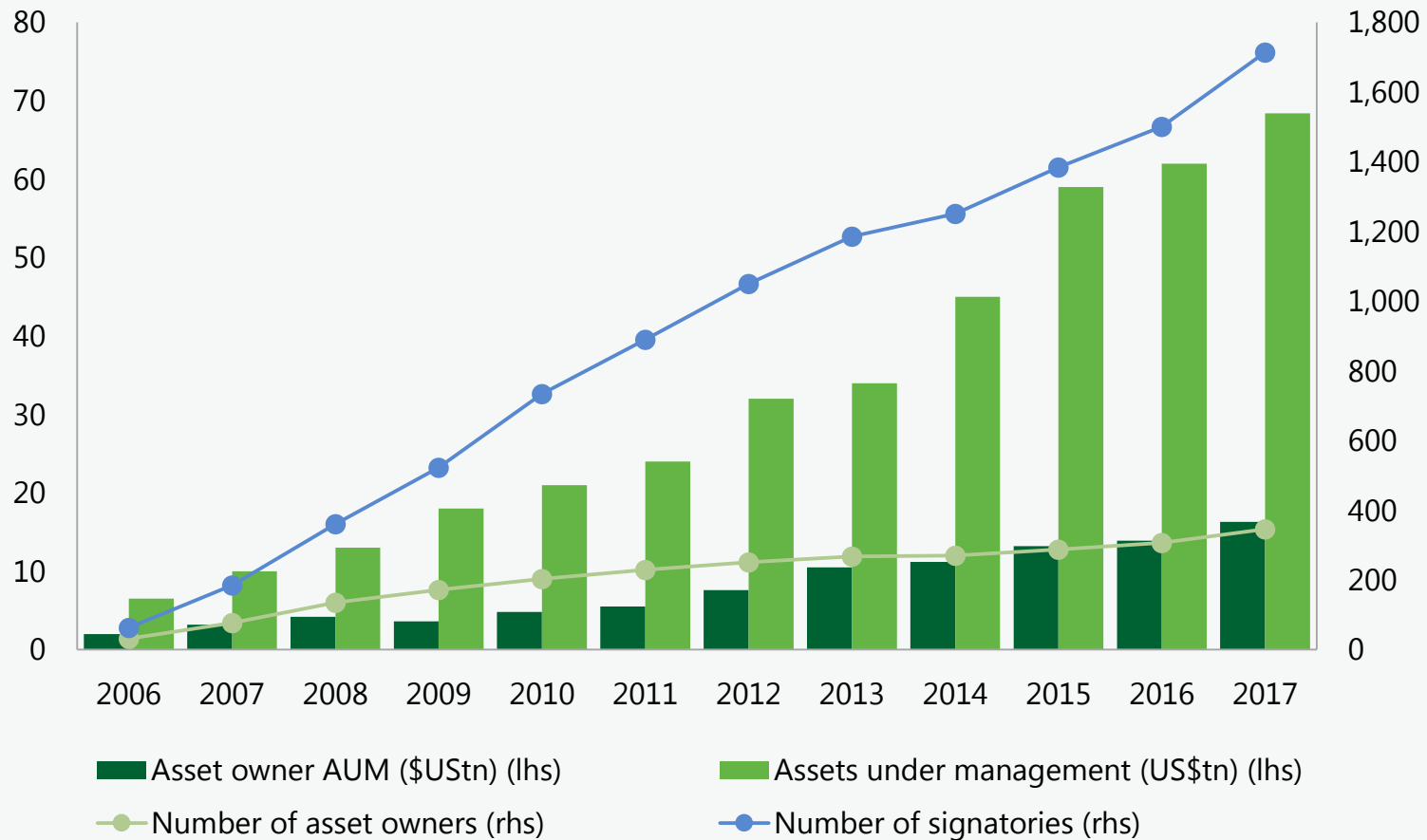
# TPI and Ruffer

Filter companies +

## Management Quality: Oil & Gas



# UN PRI signatory base





# PRI in Person

25-27 September 2017  
InterContinental Berlin

The world's leading responsible investment conference

**Due to unprecedented demand, registration is closed.**

We are no longer accepting registrations for PRI in Person 2017 as the conference is fully booked. Audio and video highlights will be available [here](#) after the conference.

Make sure you don't miss out on PRI in Person 2018 and [register your interest](#) now. We will inform you as soon as registration opens in late 2017.

*(Confirmed speakers or partners: please contact [events@unpri.org](mailto:events@unpri.org) if you have not yet registered.)*

**Date:** 25 - 27 September 2017

**Location:** InterContinental Berlin

PRI in Person is the leading global conference on responsible investment, which offers a platform for PRI signatories and other investment professionals to learn, network and collaborate in person over a three day period. The annual event allows attendees to discuss topical issues and share experiences from their own organisation and region with peers from around the world.



# UNPRI

## First assessment 2016

Strategy and  
governance **B**

Listed equity –  
incorporation **B**

Listed equity –  
active ownership **B**

## Second assessment 2017

Strategy and  
governance **A**

Listed equity –  
incorporation **A+**

Listed equity –  
active ownership **A**

# In New Zealand

Responsible investment approach	2016 Responsible investment AUM (\$bn)	2015 Responsible investment AUM (\$bn)	Change
Screening (including negative, positive, best in class and norms-based screening)	42.3	1.3	3,219%
Sustainability themed investing	0.4	0.3	34%
Impact investing and community finance	0.1	–	–
<b>Core responsible investment total</b>	<b>42.7</b>	<b>1.6</b>	<b>2,649%</b>
<b>Broad responsible investment total</b> ESG integration	<b>88.6</b>	<b>77.1</b>	<b>15%</b>
<b>TOTAL RESPONSIBLE INVESTMENT</b>	<b>131.3</b>	<b>78.66</b>	<b>67%</b>



# The butterfly effect

# Stewardship

“ I almost think of ESG investors, particularly in the extractive industry... as an early warning system for us, they are the ‘canaries in the coal mine.’ They are ahead of everyone else in terms of understanding what are the risks, and eventually governments and society will ask you similar questions... ”

Corporate Responsibility, Extractive Industry, North America

# Integrating ESG

## Stewardship

- company engagement
- voting at AGMs

# Investment process

- profitability
- opportunity
- competitive edge
- materiality
- risks

# ESG engagement at Ruffer

## Environmental

Climate change

Water scarcity

GHG emissions, ie HFC

Arctic drilling

Transitioning to 2°

Environmental  
pollution

## Social

Labour standards

Indigenous rights

Dakota pipeline

Cluster munitions

Conflict minerals

Sustainable

Development Goals

## Governance

Board effectiveness

Board composition

Remuneration

Bribery and corruption

Poison pill

Succession planning

Cross-shareholdings

*R U F F E R*