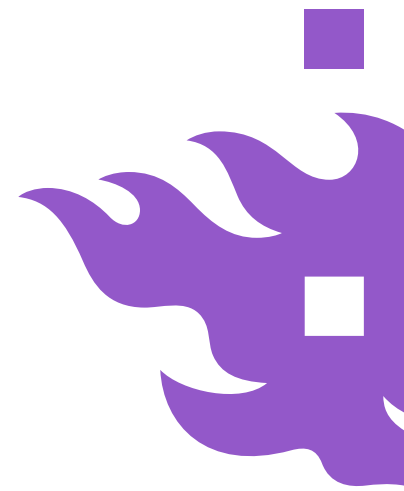


Viiwi Wanhalinna
M. Sc. (Agriculture), M. Sc. (Food Science)
Responsible Business Research Seminar
14.3.2018

IMPLEMENTATION OF RESPONSIBLE INVESTMENT AMONG INSTITUTIONAL INVESTORS: Food Sector as an example sector

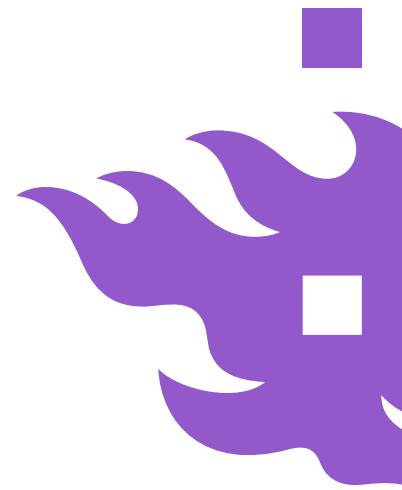


Responsible Investment and the
Food Industry –
Socio-ethical reflections



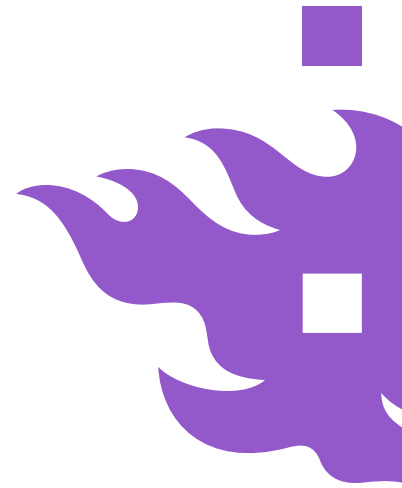
CONTENT OF THE PRESENTATION

1. Responsible investment
2. Institutional investors
3. Environmental, Social and Governance issues in the food sector
4. Preliminary results



RESPONSIBLE INVESTMENT

- Responsible Investment (RI) acknowledges Environmental, Social and Governance factors (ESG) in investment decision making, in addition to transparency and long-term perspective

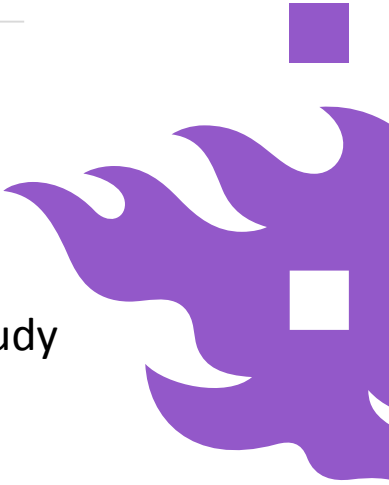


INSTITUTIONAL INVESTORS

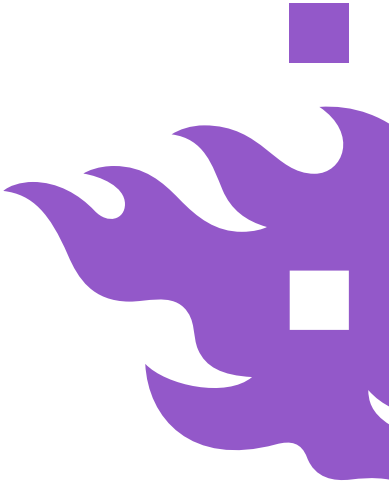
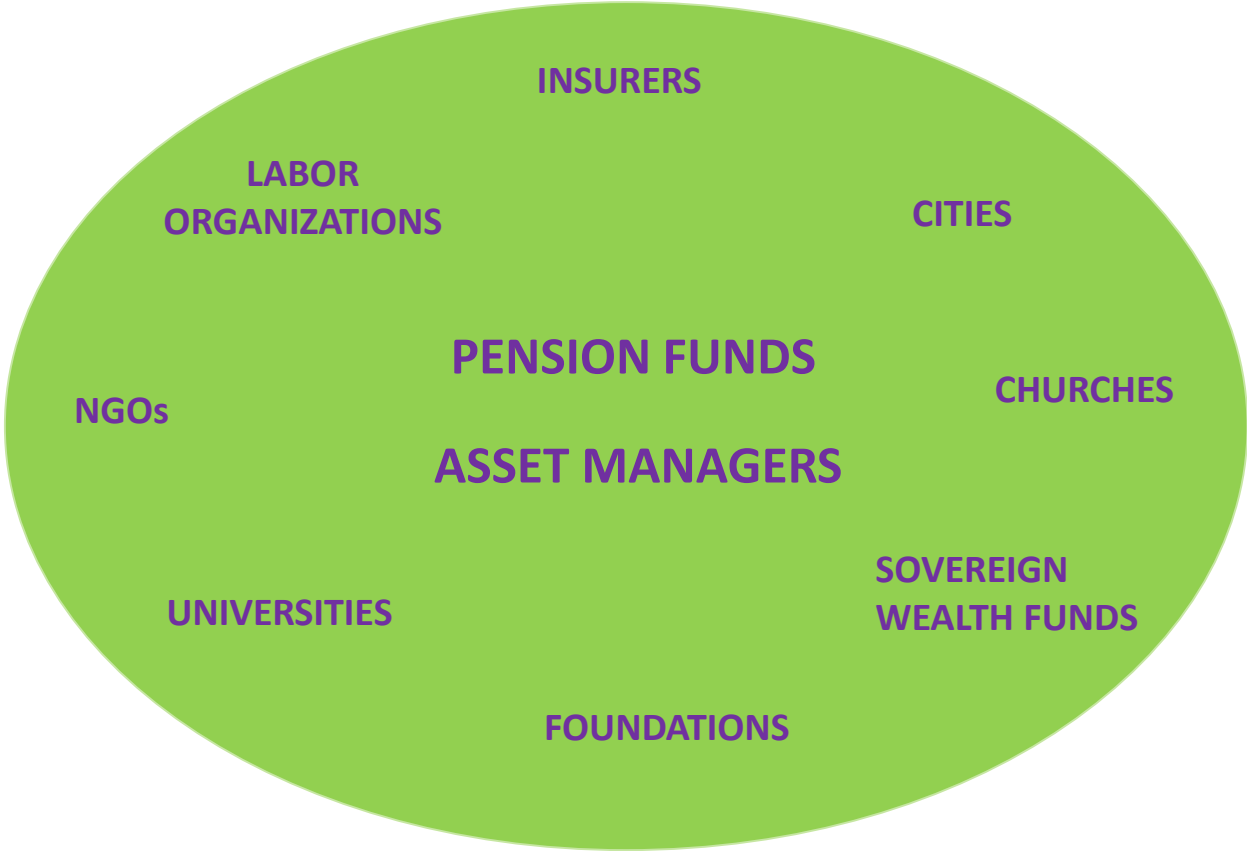
Assets under RI criteria



Source: Eurosif 2016, European SRI study



INSTITUTIONAL INVESTORS



FOOD SECTOR



E

Climate change Biodiversity loss Emissions Animal keeping Excess use of nutrients, pesticides, chemicals Resource use

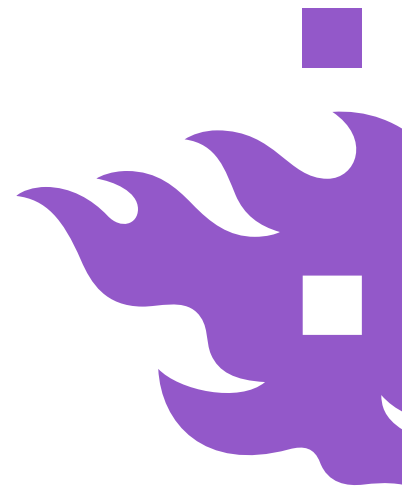
S

Violations of health, safety and labor standards and human rights Land grabbing Food security Tenure rights Food safety Misleading advertisement Nutrition

G

Corruption Tax avoidance Anti-competitive practices

How are responsible investment commitments taken to the practical level?



Structured online questionnaire for pension funds and asset managers in

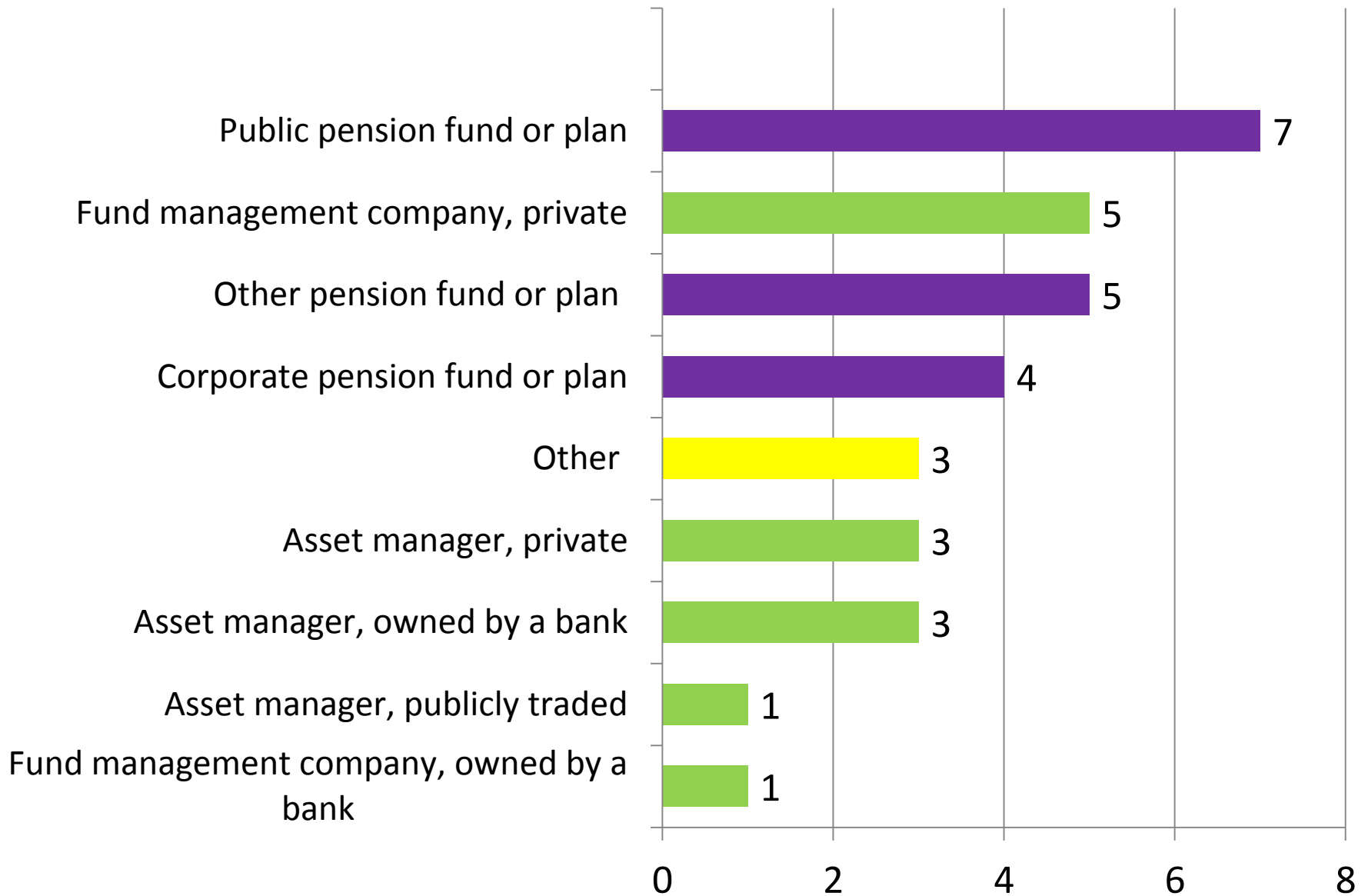
- Finland, France, Germany, Netherlands, Sweden, Switzerland, UK

We asked

- Company characteristics
- RI policy
- Implementation of RI
- Monitoring
- Opinion on responsibility aspects related to food sector in their investments



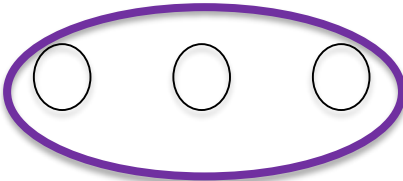
Type of organisation, n=32



Completely
disagree



Neutral



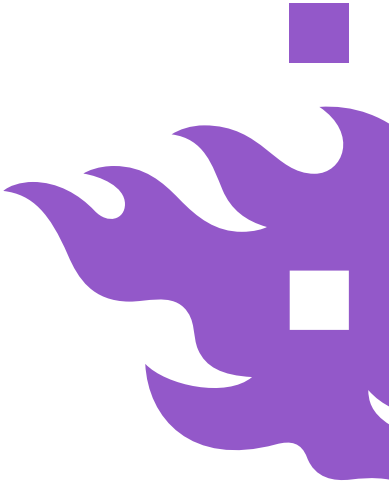
Completely
agree



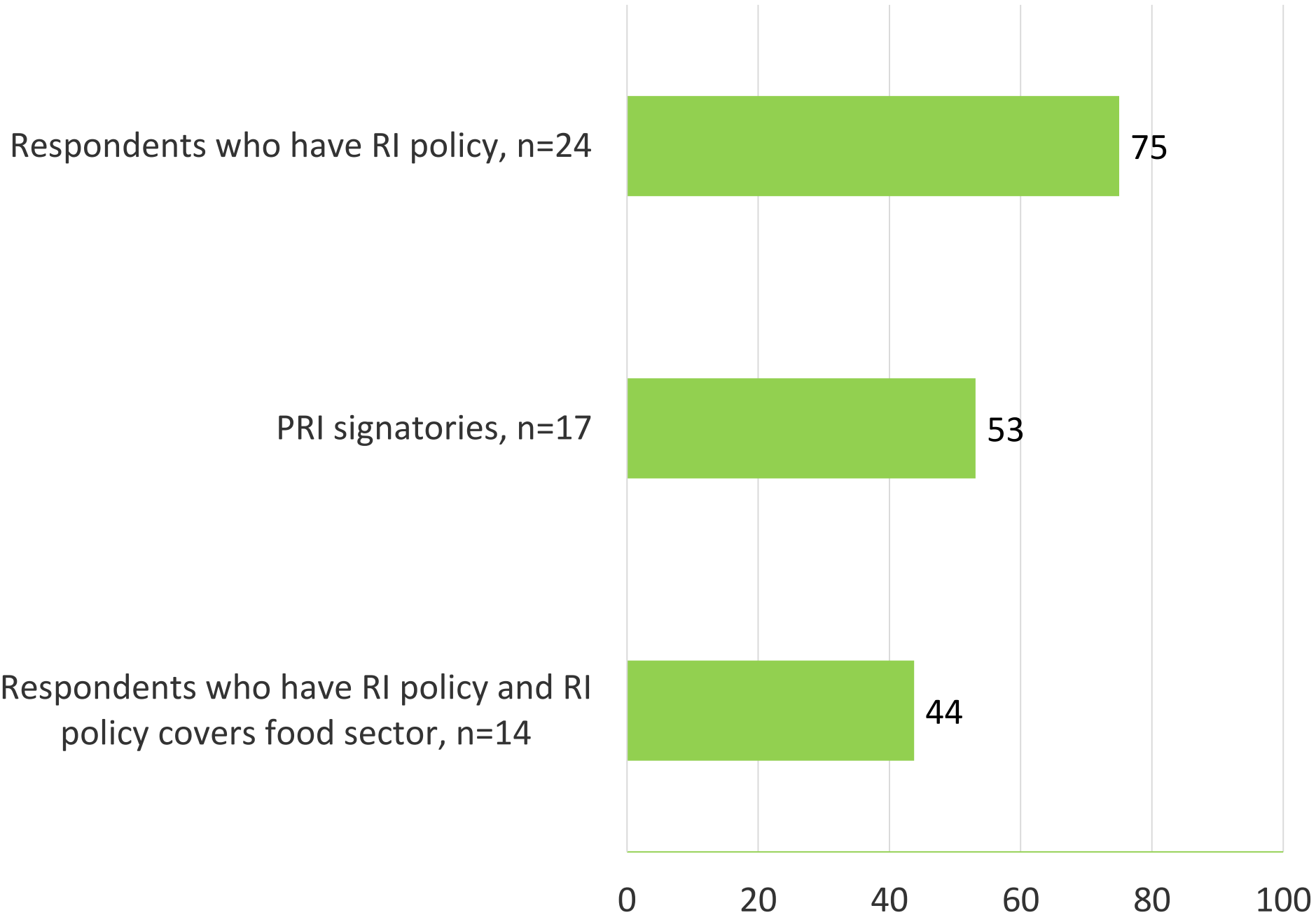
I don't
know



Agree



% of respondents



% of respondents

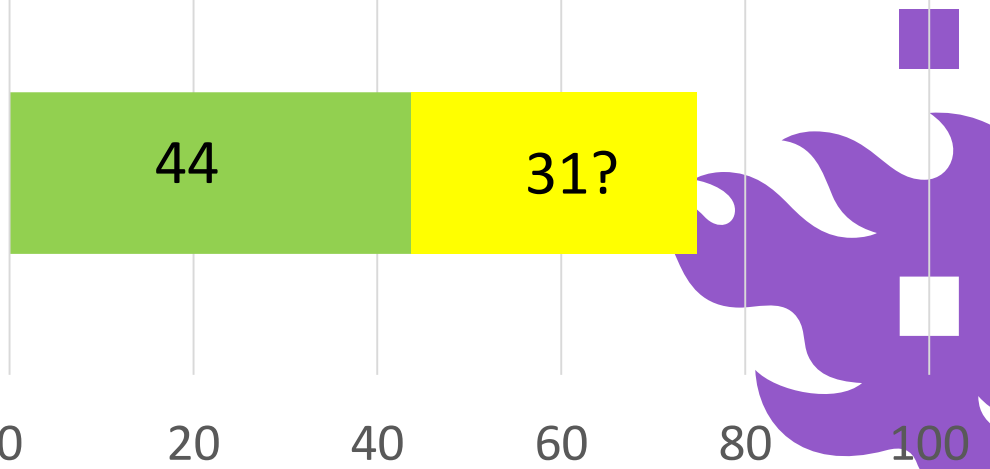
Respondents who have RI policy,
n=24



PRI signatories, n=17

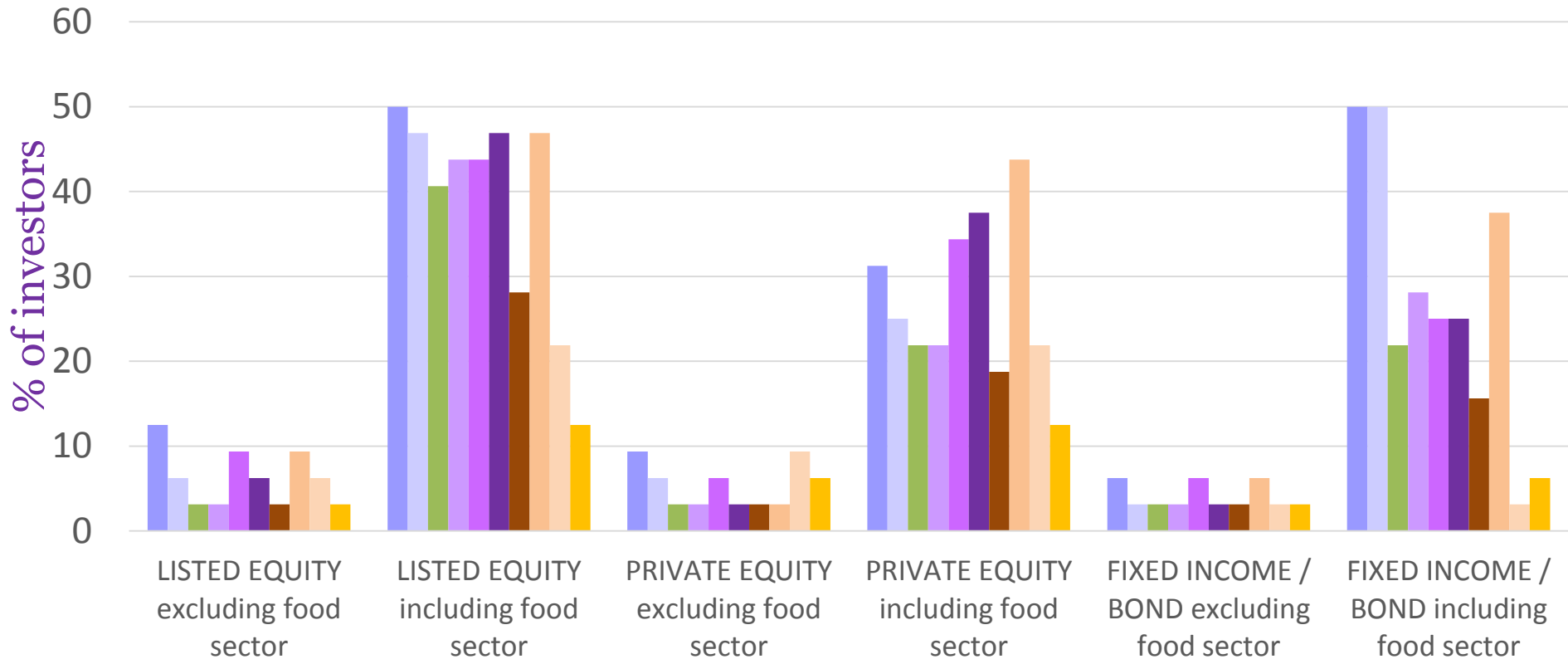


Respondents who have RI policy
and RI policy covers food sector,
n=14



RI approaches used in different asset classes

n=32

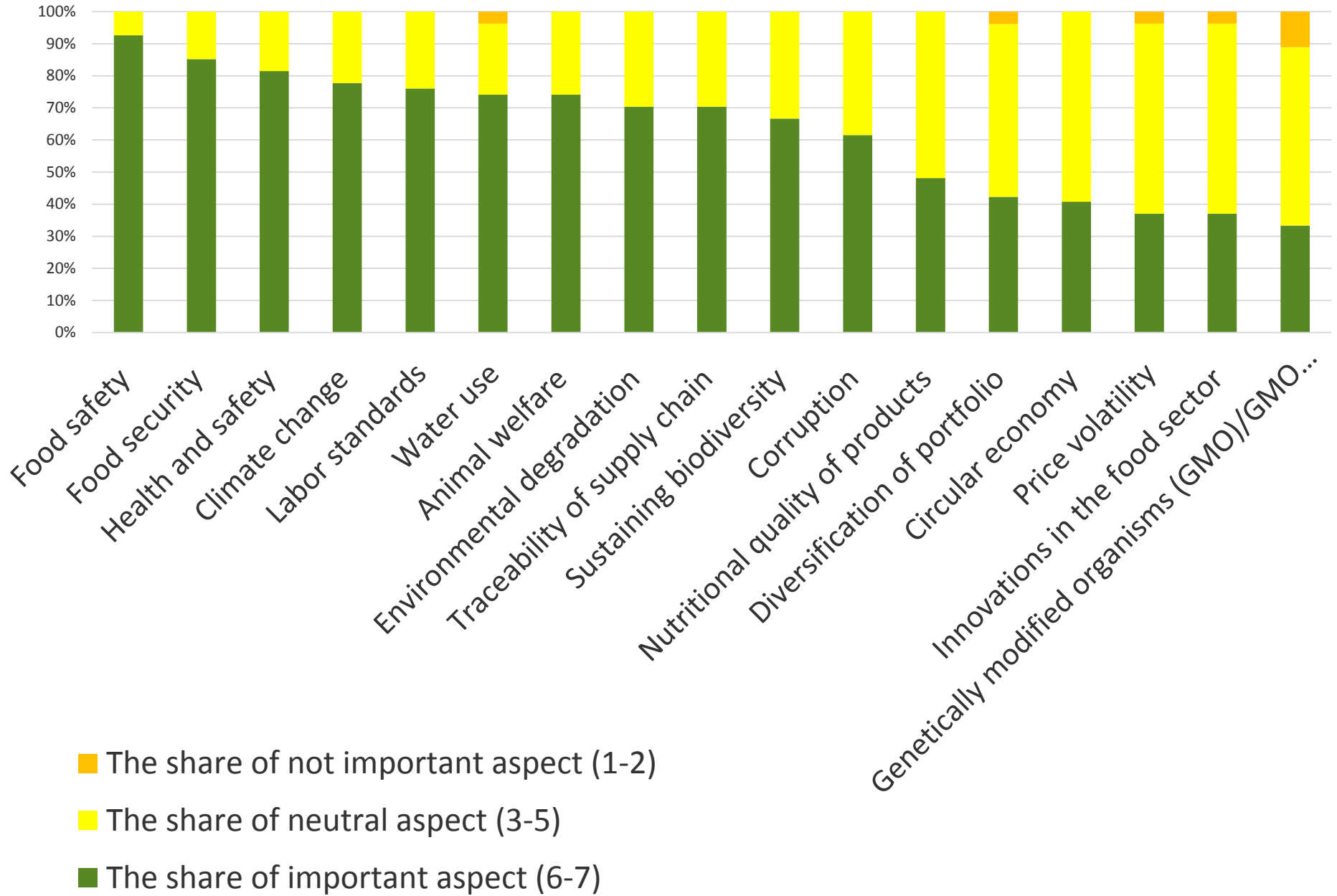


- Negative screening / exclusions
- Norms-based screening
- Positive screening
- Best-in class
- Active ownership
- Engagement
- Collaborative engagement
- ESG-integration
- Thematic investment
- Impact investment

r**Responsible
investment policy**

We verify by external audits that we are compliant with RI policy	0.09
Top managements remuneration partly based on reaching RI goal	0.11
RI guidelines for external service providers	0.13
RI goals: Top management	0.15
RI goals: External service providers	0.17
RI guidelines for top management	0.21
Our RI analysis covers the value chain from raw materials and sub-contractors to the investment	0.32
We measure the impact of RI to the risk-return ratio of our investments	0.38
Our organization has named resources for RI	0.44
RI guidelines for portfolio managers	0.46
Our processes ensure that we can track if any investment target of our portfolio is not in accordance with our RI policy	0.46
RI is part of everyone's responsibility	0.49

Importance of responsibility aspects in food sector



NEXT STEPS

We want to explain the implementation of RI

- Quantitative method : Multinomial logit model

We want to compare Finnish investors to others

Finland

- short history of RI
- rapid growth of signatories of RI principles



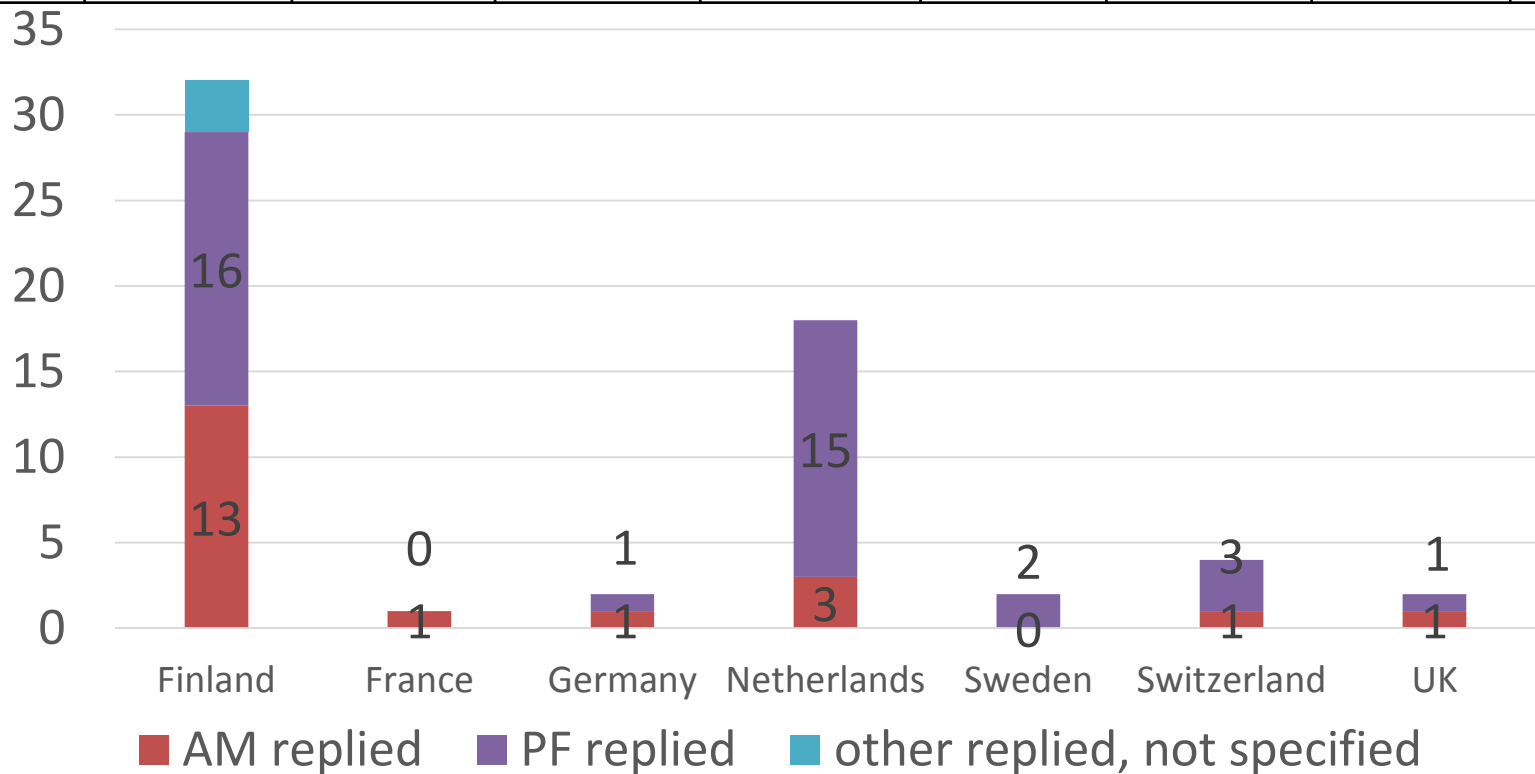
France, Germany, Netherlands, Sweden, Switzerland, UK

- Strong players in RI



Finnish investors vs. others

	Finland	France	Germany	Netherlands	Sweden	Switzerland	UK	TOTAL
Total number of respondents	32	1	2	18	2	4	2	61
Total number of companies send	93	35	171	116	82	229	195	922
Response rate %	34,41	2,86	1,17	15,52	2,44	1,75	1,03	



Research group



JANNE NIKKINEN

University Researcher
janne.nikkinen@helsinki.fi



JOHN SUMELIUS

University Professor
john.sumelius@helsinki.fi



BERT SCHOLTENS

University Professor
l.j.r.scholtens@rug.nl



RIIKKA SIEVÄNEN

Post-doc Researcher
riikka.sievanen@helsinki.fi



QIUZHEN CHEN

Post-doc Researcher
chen.qiuzhen@helsinki.fi



ANNA SEPPÄNEN

Doctoral Student
anna.seppanen@helsinki.fi



VIIVI WANHALINNA

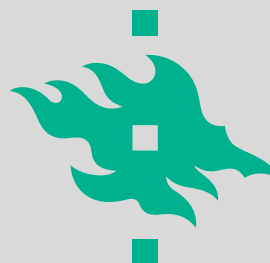
Doctoral Student
viivi.wanhalinna@helsinki.fi



THANK YOU!



UNIVERSITY OF HELSINKI
FACULTY OF THEOLOGY



UNIVERSITY OF HELSINKI
FACULTY OF AGRICULTURE AND FORESTRY



blogs.helsinki.fi/rifiser-research



viivi.wanhalinna@helsinki.fi



[@ViiviW](https://twitter.com/ViiviW)