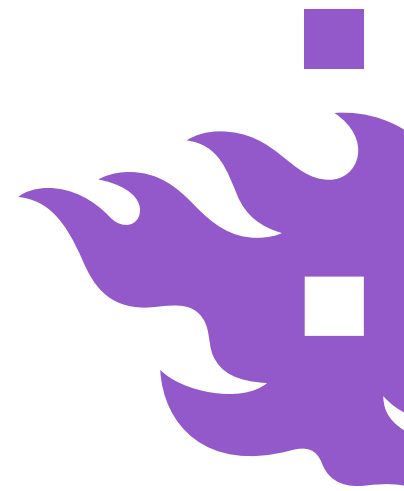


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11.1.2018

THE RESPONSIBILITY COMMITMENTS OF INSTITUTIONAL INVESTORS AND THE FOOD SECTOR: A RESEARCH AGENDA



Responsible Investment and the
Food Industry –
Socio-ethical reflections

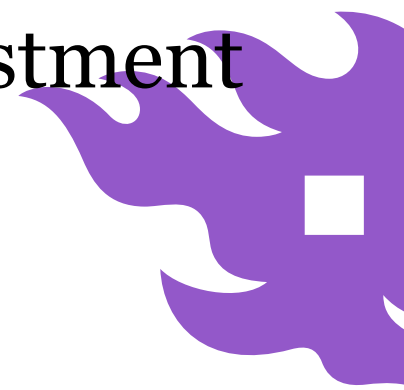


FOOD SECTOR

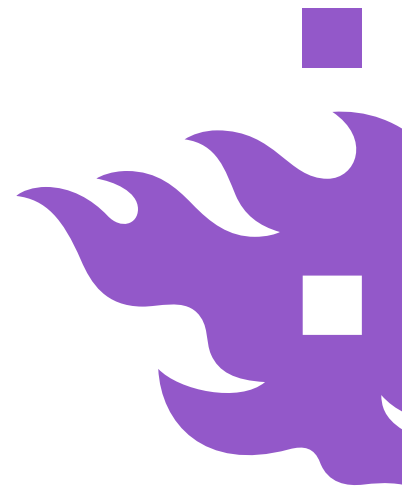
- Major effect public health and welfare
- Significant impacts on the environment
 - Important for the economy

INSTITUTIONAL INVESTORS

- Can contribute to the sustainable development
 - Should consider responsible investment ■
 - Are committed to responsible investment

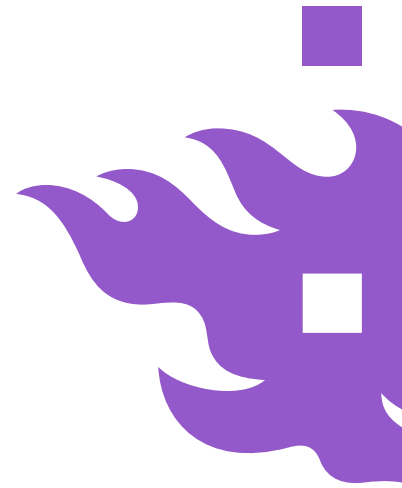


What is responsible investment in food sector?



CONTENT OF THE PRESENTATION

1. Responsible investment
2. Institutional investors
3. Environmental, social, corporate governance issues in the food sector
4. Research plan and state of the project



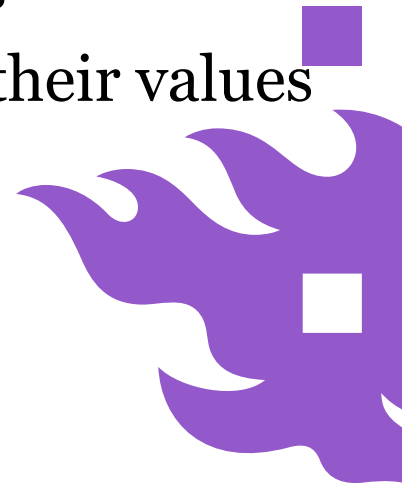


1. RESPONSIBLE INVESTMENT?



1. RESPONSIBLE INVESTMENT

- Responsible Investment (RI) acknowledges Environmental, Social and Governance factors (ESG)
- Through RI investors want to
 - optimize the risk-return performance
 - influence on societal and environmental issues
 - manage funds in a way that is consistent with their values



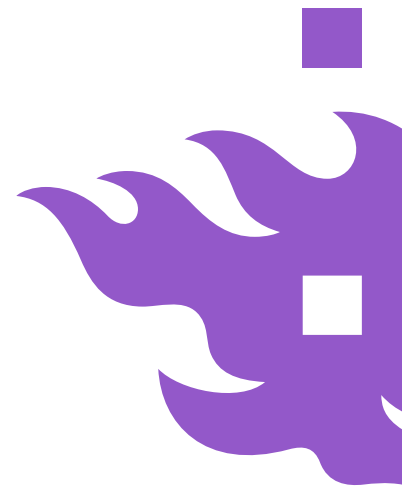


2. INSTITUTIONAL INVESTORS?



2. INSTITUTIONAL INVESTORS

- Institutional investors include
 - pension funds
 - asset managers
 - insurers
 - cities
 - churches
 - companies
 - universities
 - labor organizations
 - NGOs
 - foundations



2. INSTITUTIONAL INVESTORS

Assets under RI criteria

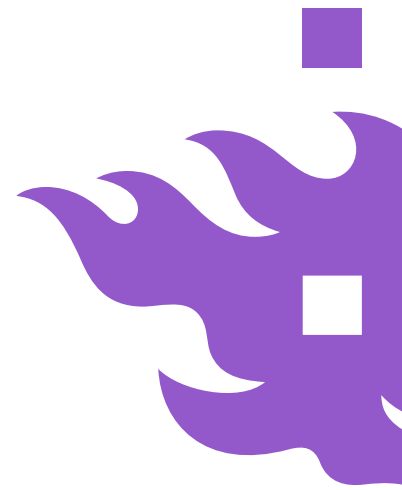


2. INSTITUTIONAL INVESTORS

- Focus on pension funds and asset managers:
 - major sources of fresh capital to the global food and agriculture sector
 - committed to The United Nations supported Principles for Responsible Investment (UN PRI)
 - biggest owners
 - fiduciary duty:
 - obligations exist to ensure that those who manage other people's money act responsibly in the interests of savers

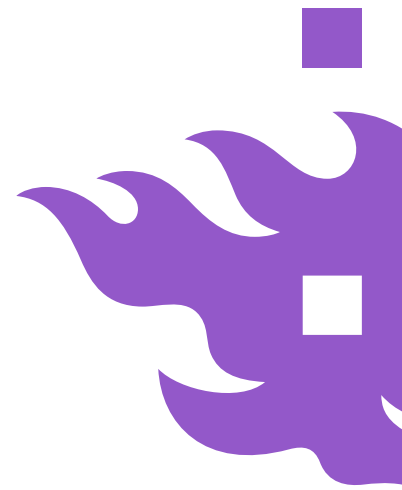


3. ESG ISSUES IN FOOD SECTOR



ENVIRONMENTAL ISSUES

- Climate change
- Biodiversity loss
- Emissions (air, soil, water)
- Excess use of nutrients, pesticides, chemicals
- Unsustainable resource, land and water use
 - Animal keeping



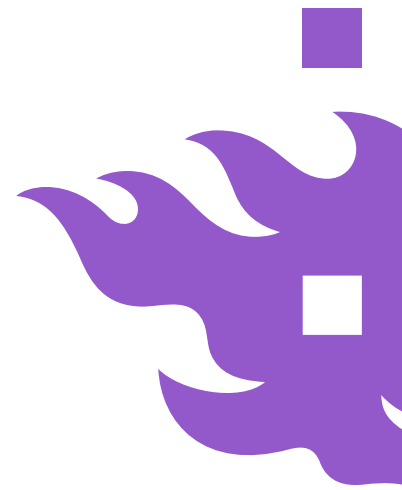
SOCIAL ISSUES

- Violations of health, safety and labor standards and human rights
 - Land grabbing
 - Treatment of animals
 - Food security
 - Tenure rights
 - Food safety
 - Poor nutritional quality of products
- Misleading labeling and advertisement of products



GOVERNANCE ISSUES

- Corruption
- Tax avoidance
- Anti-competitive practices





4. RESEARCH PLAN



Current research covers

- Financial performance:
 - RI funds vs. conventional
 - Impact of RI strategies
- The characteristics of responsibly investing investors
- Motivation and impediments factors for RI market

- RI in farmland

- Guidance exist
 - How to consider ESG factors when investing in agri-food sector (OECD, FAO, UN PRI)
 - Principles for responsible investment in agriculture and food systems (FAO)



How RI commitments are taken to the practical level among institutional investors?

- Structured questionnaire, key financial decision makers
 - Quantitative method : Multinomial logistic regression

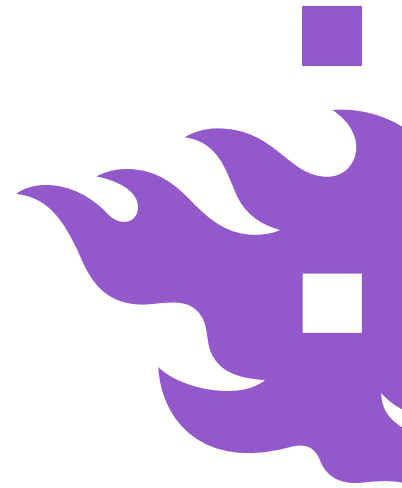
- **Netherlands**

- long history of RI
- agri-food sector the top sector



- **Finland**

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



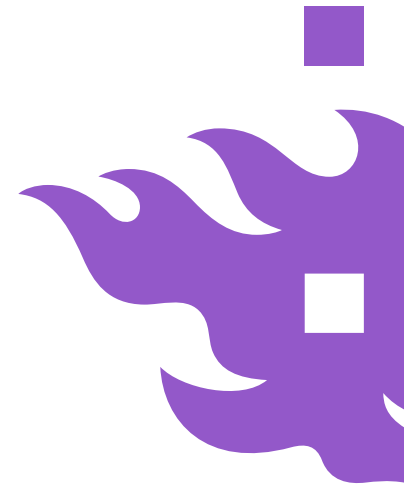
We study

- Characteristic
- RI policy
- Implementation of RI
- Monitoring
- How they see responsibility aspects related to food sector in their investments



Food sector responsibility aspects:

- Health and safety
- Labor standards (such as child labor, forced labor)
- Food security
- Food safety
- Nutritional quality of products
- Corruption
- Innovations in the food sector
- Circular economy
- Traceability of supply chain
- Sustaining biodiversity
- Water use
- Environmental degradation
- Climate change
- Animal welfare
- Genetically modified organisms (GMO)/GMO products
- Diversification of portfolio
- Price volatility



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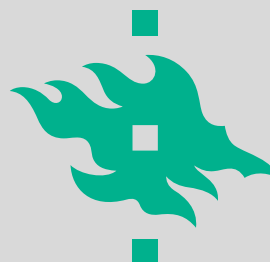
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THANK YOU!



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