The SDGs, integrated thinking and the integrated report

by Carol A Adams CA
@ProfCarolAdams www.drcaroladams.net

Report published by the IIRC and ICAS supported the Green Economy Coalition
“The SDGs... tackle the root causes of poverty and unite us together to make a positive change for both people and planet.”

United Nations Development Programme²

“The 2030 Agenda for Sustainable Development³ recognizes international trade as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the Sustainable Development Goals (SDGs).”

UNCTAD⁴

“We must have the courage to strike out in new directions and embrace an economic model which is not only low-carbon and environmentally sustainable, but also turns poverty, inequality and lack of financial access into new market opportunities for smart, progressive, profit-oriented companies.”

Business and Sustainable Development Commission (2017, p7)
Aligning the SDGs with the value creation process

Source: Adams, C A (2017) The SDGs, integrated thinking and the integrated report, IIRC and ICAS
“As a long term investor we acknowledge our significant responsibilities... Our contributions to the SDGs also represent outcomes for the multiple capitals... and contribute to value created for our members.”
Our responsible investment journey

We began our journey thinking about risks associated with environmental, social and governance issues and our negative impacts. We are moving towards thinking about how we can contribute to the Sustainable Development Goals through active engagement and our investment strategy.

- 2001: Founded member of Australian Council of Superannuation Investors (ACSI)
- 2002: Commenced our focus on ESG issues by joining national and global initiatives to find out more about issues relevant to long-term investing, advocating for change and commencing engagement strategies
- 2003: Developed internal capacity to increase focus on ESG issues
- 2004: Developed our approach to climate change and the SDGs
- 2005: Issued first stand-alone ESG Policy
- 2006: Action by exclusions
- 2007: United Nations SDGs were agreed
- 2008: Exclusion of companies involved in the manufacturing of controversial weapons in line with the Convention on Cluster Munitions and the UN Anti-Personnel Mine Ban Treaty
- 2009: Exclusion of tobacco manufacturers
- 2010: Developed a carbon disclosure project (CDP)
- 2011: ESG manager appointed to the Investment Team
- 2012: Issued a Climate Change Position Statement
- 2013: Measured the carbon exposure in our Equities Portfolio
- 2014: Identified SDGs that we believe we can contribute to
- 2015: Participated in the Mercer Climate Change Project
- 2016: Signed a letter of support for the Task Force on Climate-related Financial Disclosures recommendations
- 2017: Developed an active ownership capability and expanded ESG Team to three staff
- 2018: Joined the PRI's and International Integrated Reporting Council’s (IIR’s) Advisory Group for the SDGs
- 2019: Signed up to the United Nations Global Compact
- 2020: Developed strategy for long-term target of net zero carbon emissions at Clou Property
- 2021: Aspired to create one of the greenest Green Star and NABERS-rated portfolios in Australia through Clou Property
Aligning the SDGs with the value creation process

Value creation aligned with sustainable development through increases, decreases and transformation of the capitals

Step 1: Understand sustainable development issues relevant to the organization’s external environment

Step 2: Identify material sustainable development issues that influence value creation

Step 3: Develop strategy to contribute to the SDGs through the business model

Step 4: Develop integrated thinking, connectivity and governance

Step 5: Prepare the integrated report

Source: Adams, C A (2017) The SDGs, integrated thinking and the integrated report, IIRC and ICAS
Panellists’ Comments

• Farooq Ullah, UKSSD
• George Cobb, SSE
• Richard Howitt, IIRC
• Cindy Rose, Aberdeen Standard Investments
Questions for Discussion