

Univest  
Company



# ESG BELIEFS AND INTEGRATION

# UNIVEST COMPANY



## Multi-client

- 12 major funds across 4 continents
- Large range of investment services

## Resource Constrained

- 32 employees, 10 in front office
- External versus internal resources

## Sponsor support

- Unilever sustainable living plan
- Strong covenant, stable business

# SUSTAINABLE INVESTMENT BELIEFS



**Value creation takes place over the long term**



# SUSTAINABLE INVESTMENT BELIEFS



**Value creation relies on the appropriate management of environmental and social resources and well-functioning, transparent regulatory regimes**

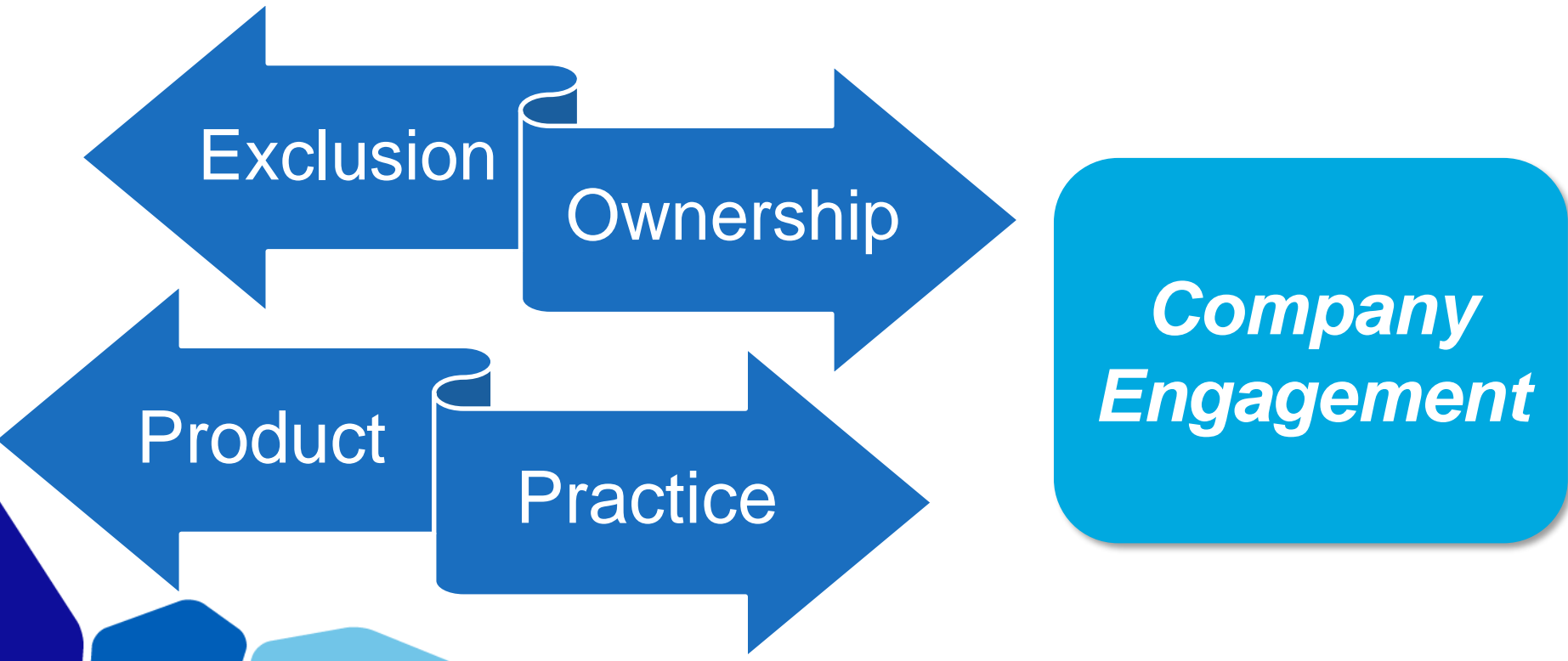
- ESG as alpha factor and/or risk reducer
- Integration is required
- Tailored integration
- Assess manager performance

# SUSTAINABLE INVESTMENT BELIEFS



**Investor stewardship creates long-term value in companies and financial systems**

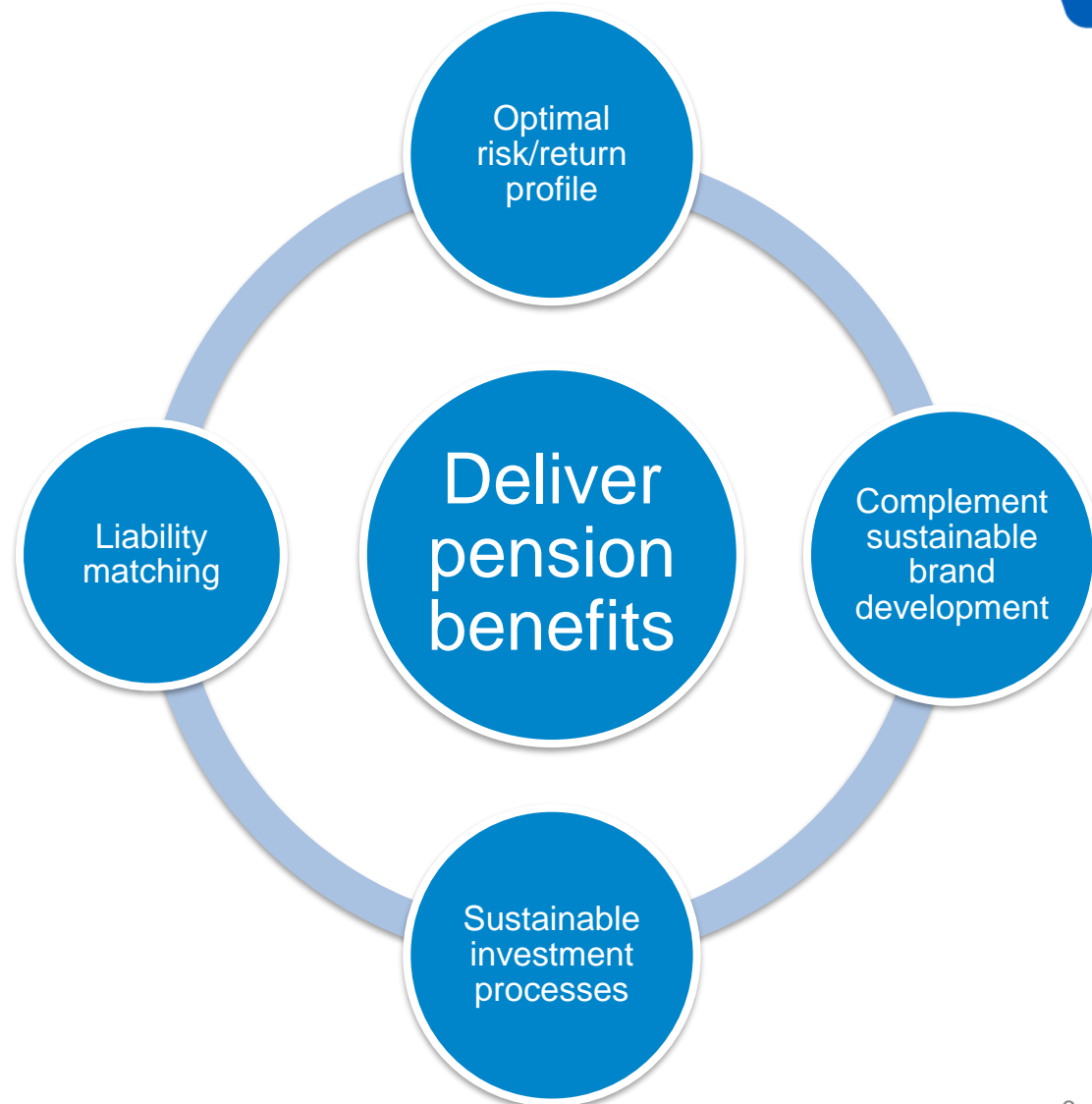
**Change is better influenced through ownership and engagement, although divestment is appropriate in certain circumstances**



# SUSTAINABLE INVESTMENT BELIEFS



**It is appropriate to take account of our sponsor, Unilever's, strong view on sustainability and value creation, but in the context of our pension funds' fiduciary duties.**



# KEY IMPLICATIONS INVESTMENT PROCESS INTEGRATION



## Manager Selection

- Manager evaluation score
- ESG commitment

## Manager Monitoring

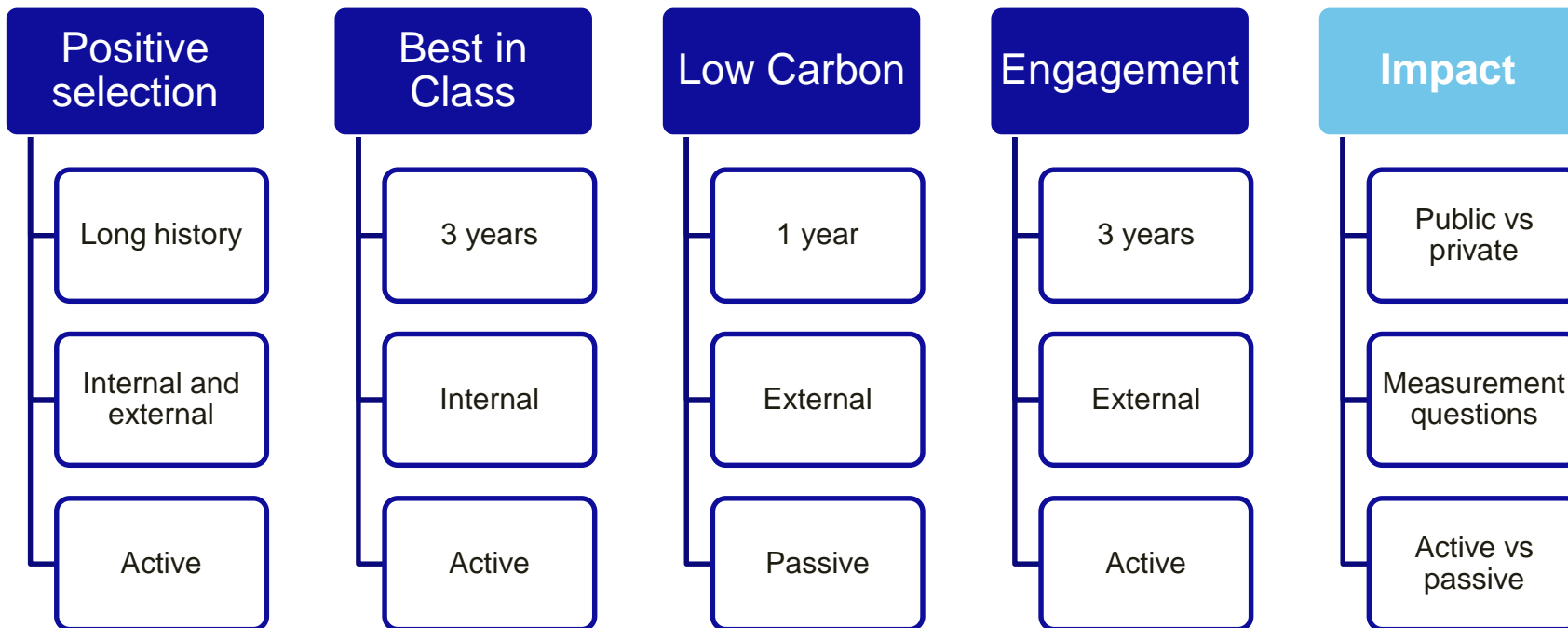
- 3<sup>rd</sup> party portfolio screening
- Controversies flagged

## Manager Engagement

- Tailored
- Minimal performance impact

# KEY IMPLICATIONS

## SUSTAINABILITY STRATEGIES





# INTERNAL MANAGEMENT

## PRODUCT DESIGN



### Key partners

- What do we offer
- Where do we need expertise

### Minimize unintended risks

- Sector & geographic exposure
- Appropriate diversification

### Simplify the process

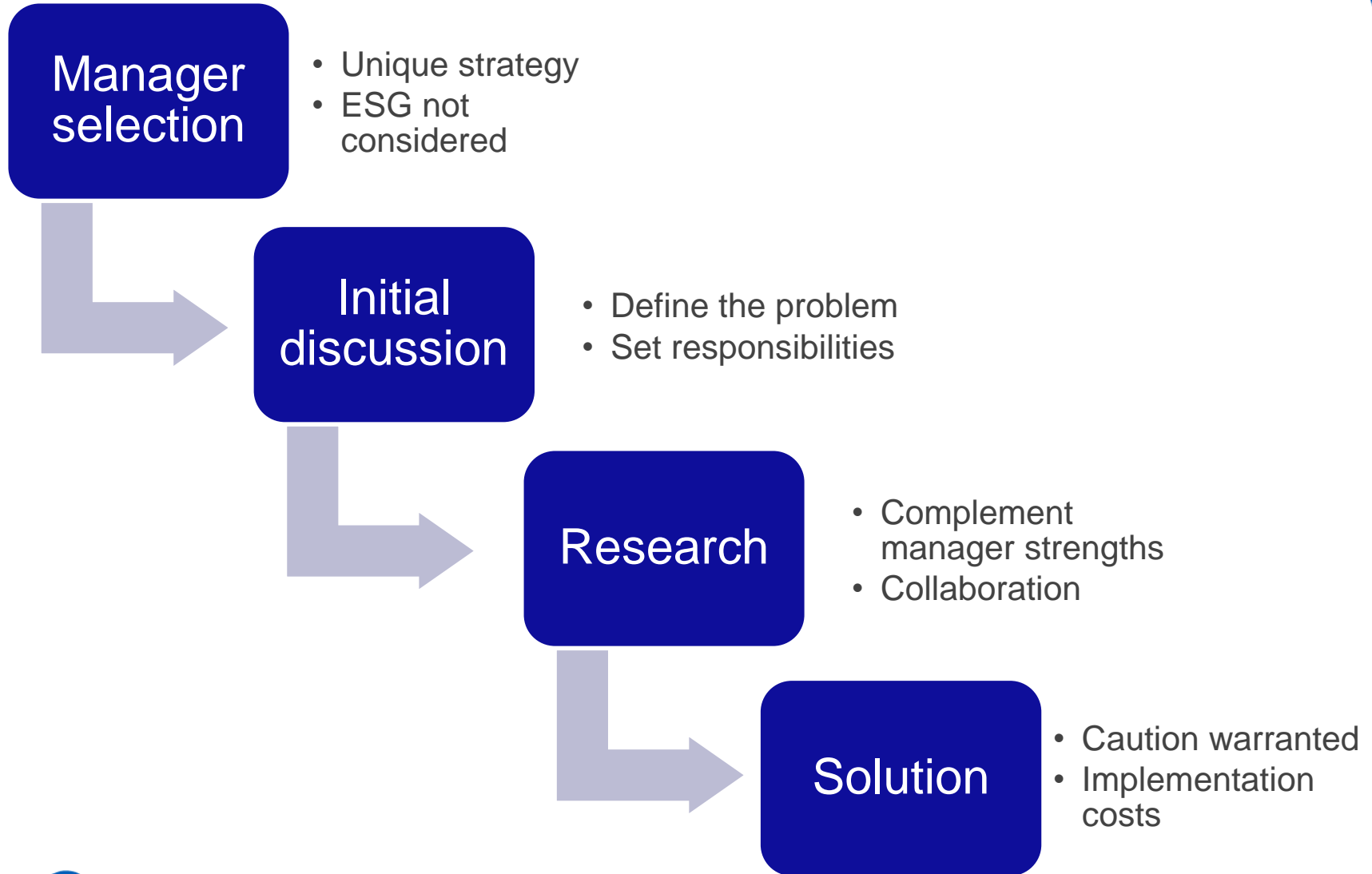
- Rules based portfolio construction
- Fundamental overlay

### Set expectations

- Universe size
- Benchmarks

# CASE STUDY

## MANAGER ENGAGEMENT



# ESG BELIEFS & INTEGRATION

## CONCLUSION



- Smart integration
- Define beliefs with Trustees
- Utilize specialist partners and internal expertise
- Impact investment management community