

## 17C Research Review

### *The 17 Most Important Reads on Sustainable Finance From 2020*

The sustainable finance space evolved in a myriad of ways in 2020, with frequent and often contentious debates about the best ways to use capital to help address some of the world's most urgent sustainability challenges. Many of these debates played out in the pages of research reports and whitepapers published by academics, industry practitioners and other interested parties with a shared interest in moving society towards a more sustainable future.

To help those in the ESG, impact investing and sustainable finance fields stay on top of the space, the 17 Communications team compiled a list of 17 of the most important research reports published in 2020. In putting together this list, we wanted to spotlight reports that presented new and innovative ways of thinking about the intersection of sustainability and the capital markets. We specifically focused on reports about systems change and long-term trends, which means the research featured here should have a longer shelf life beyond just 2020. We don't claim that this is an exhaustive list, but hope it provides a helpful review of what some may have missed in 2020 and what to expect in the months and years ahead.

The following list is presented in reverse chronological order, with the most recent reports appearing first. A list of 'BONUS' reports that 17 Communications was involved with as an author or contributor is available starting on page 8.

#### **1. r3-0: [From Monocapitalism to Multicapitalism: 21st Century System Value Creation](#)**

*Published December 2020 by Bill Baue*

This whitepaper lays out the fatal flaws of the existing Monocapitalism paradigm, and then outlines the historical, conceptual, and practical foundations of Multicapitalism in order to understand how this emerging paradigm not only resolves these fatal flaws, but also opens the door to creating sustainable, regenerative, and thriveable business models and economic systems.

**READ MORE:** [Integrated Reporting, Medium](#)

2. CDP, CDSB, GRI, IIRC and SASB: [Reporting on enterprise value: Illustrated with a prototype climate-related financial disclosure standard](#)

*Published on 18 December 2020 and facilitated by the Impact Management Project, World Economic Forum and Deloitte*

In this joint paper, CDP, CDSB, GRI, IIRC, and SASB, five leading standard-setting organizations in sustainability and integrated reporting, demonstrate how certain components of their current frameworks and standards can be used together to provide a starting point for the development of global standards for sustainability-related financial disclosure. The group published a “[statement of intent to work together towards comprehensive corporate reporting](#)” earlier in 2020.

**READ MORE:** [Bloomberg Law](#), [Forbes](#), [GreenBiz](#), [IMP](#)

3. The Investment Integration Project (TIIP): [Addressing systemic social risk: A roadmap for financial system action - Lessons learned from the Covid-19 pandemic](#)

*Published on 8 December 2020 in collaboration with the Moving the Market (MtM) Initiative*

This joint roadmap by TIIP and MtM aims to provide policymakers, regulators, and investors with recommendations for how to make interconnected social and financial systems more resilient to inevitable future social disruptions, while providing recommendations for how the financial system can better manage systemic social risk.

**READ MORE:** [Forbes](#), [ImpactAlpha](#)

4. McKinsey & Company: [How the European Union could achieve net-zero emissions at net-zero cost](#)

*Published on 3 December 2020*

In this report, in an effort to help inform the planning efforts of the European Commission’s proposal to make the bloc climate-neutral by 2050, McKinsey describes the societally cost-optimal pathway that the EU could adopt to achieve its emission targets while generating millions of jobs.

**READ MORE:** [CleanTechnica](#)

**5. Edelman: [2020 Edelman Trust Barometer Special Report: Institutional Investors](#)**

Published on 17 November 2020

In this special [report](#), Edelman surveyed 600 institutional investors in six countries representing firms that collectively manage over \$20 trillion in assets. The report reveals that while investors are applying a premium valuation to companies that excel in ESG initiatives, they temporarily deprioritized ESG practices during the COVID-19 pandemic.

**READ MORE:** [ESG Today](#), [Financial Times](#), [Raconteur](#)

**6. OECD: [OECD Business and Finance Outlook 2020](#)**

Published on 29 September 2020

The 2020 edition of the OECD's annual publication focuses on the ESG factors that are rapidly becoming a part of mainstream finance. It evaluates current ESG practices and identifies priorities and actions to better align investments with sustainable, long-term value – in particular, the need for more consistent, comparable and available data on ESG performance.

**READ MORE:** [Chief Investment Officer](#), [Forbes](#)

**7. International Business Council of the World Economic Forum: [Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#)**

Published on 22 September 2020 in collaboration with Deloitte, EY, KPMG and PwC

This report is a follow-up to the draft for consultation, [Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#), launched in January 2020 at the Annual Meeting of the World Economic Forum, and presents the conclusions of the consultation process to define common metrics for sustainable value creation. The core and expanded set of "Stakeholder Capitalism Metrics" and disclosures, which are based on existing standards, can be used by companies to align their mainstream reporting on performance against ESG indicators and track their contributions towards the SDGs on a consistent basis.

**READ MORE:** [Bloomberg Law](#), [Forbes](#), [Fortune](#), [Modern Diplomacy](#)

**8. KKS Advisors and the Test of Corporate Purpose (TCP): [COVID-19 and Inequality: A Test of Corporate Purpose](#)**

*Published 22 September 2020 by Bronagh Ward and Vittoria Bufalari*

In this joint report, KKS Advisors and TCP conduct a quantitative stress test of corporate purpose, analyzing a sample of companies constituting the S&P 500 and FTSE Eurofirst indices. The report employs three tests of corporate purpose: the commitment to purpose test; the historical performance test; and the speed of response test. The authors then construct a COVID-19 score and an Inequality score for companies, leveraging data from Truvalue Labs, to answer these questions.

**READ MORE:** [Forbes](#), [Fortune](#), [Harvard Law School Forum on Corporate Governance](#), [Philanthropy News Digest](#), [The New York Times](#), [Top1000Funds.com](#)

**9. University of Cambridge: [Universal Ownership in Practice: A Practical Positive Investment Framework for Asset Owners](#)**

*Published 22 July 2020 by Ellen Quigley*

Recognizing that asset owners cannot diversify away from systemic risks, this paper proposes a universal ownership framework for asset owners that focuses on positive investment (i.e., the impact of asset owners' investment decisions on the real economy, not the real economy's environmental and social risks to these asset owners' portfolios). The author argues that this framework has the potential to change the rules of the game, alter company behaviour and fundamental strategy, reallocate capital, and bend the emissions curve permanently downwards.

**READ MORE:** [SSRN \(2019\)](#), [SSRN \(2020\)](#)

**10. Global Investors for Sustainable Development (GISD) Alliance: [Renewed, Recharged and Reinforced: Urgent actions to harmonize and scale sustainable finance](#)**

*Published on July 2020*

This report identifies more than 60 concrete measures to accelerate and scale up funding for the United Nations Sustainable Development Goals (SDGs). It focuses on six areas that are critical to the global sustainability agenda: (1) addressing systemic sustainability risks, (2) improving ESG data and scoring, (3) globally conforming disclosure requirements, (4)

strengthening corporate governance, (5) enhancing public-private sector partnerships and (6) developing sustainable finance products and infrastructure.

READ MORE: [Euromoney](#), [International Institute for Sustainable Development \(IISD\)](#)

## 11. UN PRI: [Investing with SDG Outcomes: A Five-Part Framework](#)

Published on 15 June 2020

Following on from the PRI's [The SDG investment case](#), this report provides a high-level framework for investors that are looking to understand the real-world outcomes of their investments and to shape those outcomes in line with the SDGs.

READ MORE: [Pensions & Investments](#), [Top1000funds.com](#)

## 12. Impact Frontiers: [Impact-Financial Integration: A Handbook for Investors](#)

Published June 2020 as part of an initiative of the Impact Management Project

Impact Frontiers is a learning and innovation collaboration of investors and field-builders dedicated to advancing the integration of impact into financial frameworks, processes, and decision-making. Together they published a handbook that includes specific methods of impact-financial integration, along with examples and lessons learned, that could be used by investors seeking market-rate returns as well as those willing to accept a financial concession.

READ MORE: [Expert Investor](#), [Stanford Social Innovation Review](#)

## 13. Ceres: [Addressing Climate as a Systemic Risk: A call to action for U.S. financial regulators](#)

Published on 1 June 2020 as part of the Ceres Accelerator for Sustainable Capital Markets

This report outlines how and why U.S. financial regulators, who are responsible for protecting the stability and competitiveness of the U.S. economy, need to recognize and act on climate change as a systemic risk. It provides more than 50 recommendations for key financial regulators to adopt.

READ MORE: [Forbes](#), [GreenBiz](#), [Pensions & Investments](#)

**14. CFA Institute: [Earning Investors' Trust How the Desire for Information, Innovation, and Influence Is Shaping Client Relationships](#)**

Published on May 2020

In this fourth edition of the CFA Institute investor trust study, the Institute examines how trust in the industry has evolved, while the essential characteristics of trust endure. CFA Institute defines the three themes affecting investor trust today: information, innovation, and influence. The report was compiled using survey data from 3,525 retail investors and 921 institutional investors from across 15 global markets.

READ MORE: [City A.M., Politico](#)

**15. Rainforest Action Network (RAN), BankTrack, Indigenous Environmental Network (IEN), Oil Change International, Reclaim Finance, and the Sierra Club: [Banking on Climate Change: Fossil Fuel Finance Report 2020](#)**

Published on 18 March 2020

This report adds up financing from 35 private-sector banks to the fossil fuel industry, summing their leading roles in lending and underwriting of debt and equity issuances. In addition, it names the 100 top fossil fuel expansion companies and their biggest bankers and maps out case studies where bank financing for fossil fuels has real impact on communities.

READ MORE: [Forbes, The Guardian, The Hill](#)

**16. ShareAction: [Point of No Returns](#)**

Published on 9 March 2020

This [report](#), the first in a three-part series, features a ranking of 75 of the most influential asset managers and an analysis of their performance on stewardship, transparency and governance. The study found that over 50% of managers assessed have a very limited approach to managing ESG risks, signaling a significant need for improvement across both investment decision-making and shareholder engagement.

READ MORE: [Citywire Selector, ESG Clarity, IP&E, Responsible Investor](#)

**17. Global Impact Investing Network (GIIN): The State of Impact Measurement and Management Practice, Second Edition**

*Published on 21 January 2020 by Rachel Bass, Hannah Dithrich, Sophia Sunderji, Noshin Nova*

This report presents the second edition of the GIIN's global survey of the state of impact measurement and management (IMM) practice across the impact investing industry. Based on data from 278 impact investors, the report provides the most comprehensive view of how impact investors assess their social and environmental impact, and the trends that have shaped IMM practices in the past two years.

**READ MORE:** [Forbes](#), [GIIN](#), [NextBillion](#)

## BONUS RESEARCH

17 Communications also contributed to a number of research reports published by clients in 2020, either as a writer/editor or as part of the communications team promoting the report's findings. These reports include:

1. U.S. Impact Investing Alliance: [Private Capital, Public Good: Leveraging Impact Investing to Support a Just and Equitable Recovery](#)

Published on 15 December 2020

This comprehensive report by the U.S. Impact Investing Alliance includes 12 specific policy recommendations and ideas across two main narrative themes — “Transform Community Investing to Confront Inequality” and “Accelerating Stakeholder Capitalism to Advance American Economic Leadership” — with the potential to catalyze more impact investments to help address urgent social, economic and environmental challenges. The Alliance shared these policy recommendations with the Biden Administration, federal regulators and members of Congress with the goal of building and shaping an agenda for the next two years of policymaking.

**READ MORE:** [Barron's](#), [Forbes](#), [ImpactAlpha](#), [Pioneers Post](#), [Responsible Investor](#)

2. 17 Communications: [Private Inequity: How the Private Equity Industry Needs to Improve When Addressing Systemic and Systematic Risks](#)

Published on 16 November 2020

This research report published by 17 Communications, with contributed content from the Predistribution Initiative, analyzes how the private equity industry is responding to systemic and systematic risks like climate change, COVID-19 and racial injustice. The report includes specific recommendations for how private equity firms can better manage these risks, including: demonstrating that policies are supported with effective implementation procedures, conducting third-party audits of existing practices, and disclosing political spending and lobbying activities.

**READ MORE:** [AlphaWeek](#), [FundFire](#)

**3. Tideline: [Making the Mark: Investor Alignment with the Operating Principles for Impact Management](#)**

Published on 21 April 2020

Tideline's inaugural benchmark report evaluates investor alignment with the Operating Principles for Impact Management (OPIM), a new impact investing standard introduced in April 2019 that requires signatories to disclose and independently verify their alignment with the Principles. The report includes: Tideline's aggregated findings based on 13 verifications completed to date; a description of Tideline's verification methodology and ratings rubric; an analysis of the three important characteristics that verification brings to the impact investing market; and key takeaways and a call to action for various stakeholders to continue the work of building the impact investing field. Tideline formally launched its independent impact verification business, BlueMark, in 2020 to meet the growing market demand for impact verification.

**READ MORE:** [ImpactAlpha](#), [Invest for Good](#), [Responsible Investor](#), [Top1000Funds.com](#)

**4. KPMG, CREATE-Research, AIMA, and CAIA Association: [Sustainable investing: fast-forwarding its evolution](#)**

Published on 5 February 2020

In a joint report from KPMG International, CREATE-Research, AIMA and CAIA Association, the authors examine recent trends in sustainable investing with a focus on the hedge fund industry, including current attitudes towards sustainable investing, key challenges in adopting sustainable investing approaches and what steps hedge funds should take to meet growing investor demand. The research includes insights from 135 institutional investors, hedge fund managers, long only managers and pension consultants in 13 countries across key markets.

**READ MORE:** [Asian Investor](#), [Bloomberg](#), [Investment & Pensions Europe](#), [Investopedia](#)