

## ABOUT BRUNEL

With \$45 billion USD in assets under management, Brunel Pension Partnership Ltd. is a large-cap UK Local Government Pension Scheme pool dedicated to “investing for a world worth living in.” Headquartered in Bristol, England, Brunel is a pension pool dedicated to responsible investing under a multi-manager model.



### THE CHALLENGE

- Need for increased insight into how portfolio companies align with the SDGs



### THE SOLUTION

- Truvalue Labs' data and analytics to uncover company activities that contribute or detract from the SDGs



### THE RESULTS

- Greater insight into positive and negative SDG impacts
- Increased client awareness of ESG factors and SDG reporting tools

## Brunel Pension Partnership Improves SDG Analysis and Reporting with Truvalue Labs' Data and Analytics

### THE CHALLENGE

Brunel manages the investments for the pension funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, the Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire. It has built its responsible investment (RI) approach on three pillars: to integrate sustainability criteria into their operations and investment activities, collaborate with others across the industry and support effective policymaking, and be transparent through all activities. It aims to deliver stronger investment returns over the long term by contributing to a more sustainable and resilient financial system, supporting sustainable economic growth and a thriving society.

Given its commitment to sustainable investing, Brunel was looking for a better way to measure and report on the contributions of their investments to the United Nations' (UN) Sustainable Development Goals (SDGs). Brunel believes that the SDGs provide an excellent framework for assessing sustainable development and a useful lens on systemic risks. Brunel has been using SDG data from Truvalue Labs (a FactSet company) to assess both the positive and negative contributions that its portfolios make to the broader goal of achieving the aims of the SDGs. Brunel wanted to explore ways to use this analysis in its wider reporting in 2022.

**THE SOLUTION**

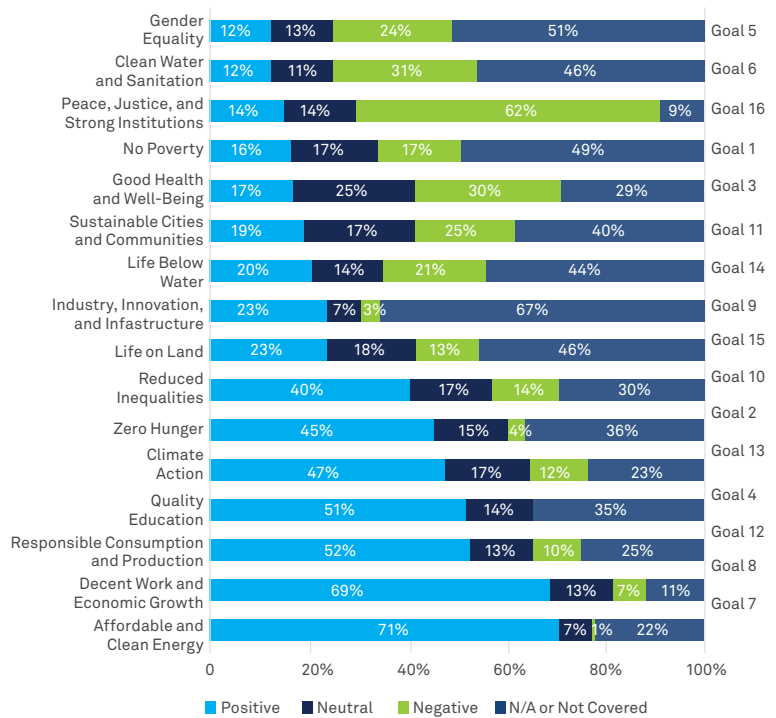
For this SDG reporting initiative, Brunel leveraged Truvalue Labs SDG data. FactSet’s Truvalue Labs applies artificial intelligence to analyze over 100,000 sources of unstructured text to uncover company activities that contribute to or detract from the SDGs. The dataset includes short-term, long-term, and momentum scores generated for 16 SDG categories, as defined by the UN, and focuses on what companies are actually doing, rather than what they say they are doing.

“This dataset allows us to analyze and understand how our portfolio companies contribute to the pursuit of the SDGs,” said Laura Hobbs, Responsible Investment Manager. “This enables clients to quickly identify which goals have the most positive impact versus the most negative impact within each portfolio.”

The graph shown illustrates the outcome of an analysis of the Brunel UK Active Portfolio using SDG data as of December 31, 2020. At this date, the portfolio had greatest alignment to SDG Goal 7 – Clean and Sustainable Energy with 71% of related news flow identified as positively contributing to this goal. The portfolio also makes a strong positive contribution to Goal 8 – Decent Work and Economic Growth. Holdings such as Unilever, which launched a four-day week for staff in New Zealand, and Morrison’s, which recently created 1,000 new jobs, contributed towards such goals.

Beyond identifying firms that positively contribute to the SDGs, Truvalue Labs’ SDG data is also helpful in pinpointing those that are directly or indirectly causing a negative impact by way of their production, products, or services. “The dataset is also able to detect companies that are making a negative contribution to SDGs—one of the features we particularly like,” said Hobbs.

Brunel worked closely with the team at FactSet to make SDG reporting intuitive for investors to use. “We have used Truvalue Labs data extensively in enhancing our risk analytics and supporting our manager selection and monitoring process more broadly,” said Faith Ward, Chief Responsible Investment Officer.



**THE RESULTS**

After implementation, Brunel was able to incorporate SDG data into a number of daily workflows.

“We use the Sustainable Development Goals in workshop training exercises for clients to raise the awareness of important ESG factors. We found these exercises to be a useful way to encourage wider thinking about the SDGs as a tool for strategic asset allocation construction, identifying potential risks, and opportunities for engagement,” said Ward.

“The addition of the SDG data provides new insights into our portfolios’ characteristics. We have also published our Responsible Investment and Stewardship Outcomes report to inform the wider public. Clients have shared with us that the addition of the SDG lens is an important contribution to the overall ESG analysis.”

**DISCOVER SOLUTIONS**

FactSet creates data and technology solutions for investment professionals around the world, providing instant access to financial data and analytics that investors use to make crucial decisions.

**Truvalue Labs SDG Scores DataFeed**

Analyze how a portfolio is aligned to SDGs and assess potential impacts.

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**Truvalue Labs SDG Spotlight DataFeed**

Review daily headlines for positive and negative events tied to the SDGs.

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