A good ancestor: Firms need to take a long, hard look at legacy

H ere in Britain, this year we have been enjoying celebrating 800 years since King John signed Magna Carta. It is the foundation stone for constitutions the world over – and somewhat dwarfs my native New Zealand’s 180 years of constitutional history.

The Magna Carta was nothing less than a catalyst which has inspired people in different countries at different times to change the world. The launch of the Sustainable Development Goals (SDGs) at the Seventieth UN General Assembly this weekend can be just as momentous. They could be our very own Magna Carta. One hundred and ninety three world leaders will commit to ending extreme poverty, fighting inequality and injustice and fixing climate change.

Achieving these goals is beyond the scope of governments and NGOs alone. There is now widespread recognition that business and finance are welcome and necessary partners in creating a fairer, more prosperous and sustainable world. And a world that is also a great place to do business. I welcome this responsibility, and it is why I am at the UN this week. I have always been crystal clear why I am in business: to have a positive legacy for generations.

This is why one of our core values at Aviva is to “create legacy” or, as I call it, to be a good ancestor. Now, through the SDGs, businesses like ours have a unique opportunity to create a positive legacy for generations around the world.

So how do we do this? First, business has to champion the SDGs. The more people who know about them, the more pressure there will be to ensure that they are more than warm words. Aviva is a founding partner of Project Everyone, which has been doing a stellar job raising awareness of the SDGs and why they are important. We need all businesses to talk about the Goals, what they are doing to deliver them, and to report on progress.

Second, we need to harness the full power of the capital markets. At the moment, the focus of policy-makers remains on $150bn in overseas development assistance to drive progress. But just think how much more could be achieved by mobilising the $300 trillion of investment finance to fund, for example, sustainable infrastructure. At the moment, it’s like trying to illuminate a stadium with a candle – when there’s a huge set of flood-lights towering above the grandstands. All you’ve got to do is flick the switch to turn them on. For example, Aviva has already committed to investing over $3.8bn in low carbon infrastructure over the next five years – but much more needs to be done.

Third, there needs to be a step change in the availability of consistent data to support responsible investment. This includes providing standardised information for factors such as carbon emissions and water use. We also need to ensure companies, as part of their stock market listings, file comparable sustainability data. Investors expect financial metrics to be calculated in similar ways wherever a company is based. They should have the same confidence in sustainability indicators.

Fourth, we need consistent, authoritative and simple benchmarks, so that investors can rank companies’ corporate sustainability performance. These should include benchmarks on climate change, human rights and labour standards. As Lady Lynn Forester de Rothschild’s excellent Inclusive Capitalism coalition has pointed out, we only treasure what we can measure.

Finally, I believe the UN should do all it can to support initiatives that build greater understanding globally of finance as a power for good. Currently, it has pockets of laudable work in a few of its agencies, but none of them is mandated to promote sustainable long-term investment. This needs to change. Consideration should be given to establishing a UN body to coordinate and magnify its existing work on sustainable finance, perhaps via a Resolution at the UN General Assembly.

As a New Zealander and a passionate rugby fan, even when in New York, I will have one eye on the World Cup here in London. We don’t know who will lift the trophy, but we do know that it will be the side who plays best as a team. It’s the same spirit – with all partners working together – which will decide whether history sees this week as a turning point in the global battle against poverty, injustice and environmental damage.

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