

## **UKSIF Briefing**

June 2003

### **Improving Communications between Companies and Investors on Corporate Responsibility**

Following on from the roundtable UKSIF, HSBC and Context Group held last November on "Questionnaire Fatigue", AD Little has undertaken a piece of research on a pro bono basis - "Speaking The Same Language: Improving Communications between Companies and Investors on Corporate Responsibility".

The report is being launched to a corporate audience today at a BITC event hosted by Derek Higgs (contrary to the AD Little e-mail, Derek Higgs has not invited investors - "mainstream" or otherwise) and to investors/researchers at the UKSIF Materiality event on 7th July (see yesterday's e-mail and the initial announcement on 23rd May). There will also probably be an ABI-led event in the Autumn to spread the debate to a wider, less engaged, sell-side audience (tbc).

Although it would be easy to quibble with some of the wording in the report, the "Way Forward" presented on pages 5 and 12 sets out important challenges:

#### **Good Communication Principles:**

As the report notes, investors, researchers and companies share responsibility for improving communications on social, environmental and ethical (SEE) issues. UKSIF has already taken the idea of extending the French code of conduct (agreed by investors, researchers and companies) into a pan-European code to the Eurosif board. Matt Christensen of Eurosif is now progressing this idea with ORSE, CSR Europe, funders and others.

#### **Credibility of SRI/CR with Mainstream:**

The challenges laid down to all three parties are valid, but primarily apply to financially-driven investment. As you know UKSIF believes that all financially material SEE issues should be integrated into standard investment practice AND that individual investors should be able to reflect their values in their investments. Perhaps the challenge for all of us is to ensure that we are very transparent about whom we are collecting/analysing SEE information for - financially-driven investors, morally-driven investors, investors with multiple motives, or all three groups.

**Defining Materiality:**

This an important debate, and we await the 27th June paper from the OFR working group on this topic, and our event for investors and analysts on July 7th mentioned above