



**UKSIF**

# Annual **Review**

**[ 1 July 2008 to 30 June 2009 ]**

*UKSIF - the sustainable investment and finance association*

# UKSIF – the sustainable investment and finance association

## Mission, Values and Operating Principles

### Mission

*UKSIF is the membership network for sustainable and responsible financial services. We promote responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. We also seek to ensure that individual and institutional investors can reflect their values in their investments.*

### Values and Beliefs

- 1** UKSIF is a **values-led organisation** whose primary purpose is to achieve its mission.
- 2** UKSIF regards its **members as its primary stakeholders** but also recognises a **wider responsibility to civil society, in the UK and internationally, and to the environment and future generations**. It draws its strength from the expertise and contacts of its members in financial services providers and other financial services stakeholders. While it operates similarly to a trade association, it does not exist to defend and advance particular member interests. It therefore looks particularly to its members' expertise rather than their individual or collective commercial interests in deciding how best to fulfil its mission.
- 3** UKSIF believes in and seeks to stimulate and encourage the provision of a **healthy market in responsible finance products**. This includes encouraging a sufficient range of products to address diversification and differing values and financial requirements; and taking a lead in encouraging innovative new approaches to achieving social and environmental impact and supporting the identification and removal of market failures.
- 4** UKSIF supports **transparency, effective governance and management processes, principles-based regulation and "treating customers fairly"**. It believes that these should be achieved by voluntary action rather than compulsion where possible. However, if encouraging a voluntary approach fails, legal or regulatory compulsion is acceptable so long as sufficient attention is given to effective implementation.
- 5** UKSIF believes that, so long as accurate information is available, **it is the role of customers and the market to select preferred responsible finance strategies**. UKSIF does not endorse specific strategies in preference to others (eg. screening v. engagement).
- 6** UKSIF is willing to endorse or approve good practice standards in transparency, governance, management processes and similar. In doing this, it **celebrates the positive rather than criticises the negative** – it will "name and fame" but not "name and shame". Surveys, awards and similar initiatives help to identify market leading solutions. UKSIF will undertake and endorse surveys, awards and similar where these "name and fame" rather than "name and shame".

### Operating Principles

- 1** UKSIF operates in the **"co-operative space"** where a critical mass of its members wish to work together to grow and develop responsible finance rather than the "competitive space" where they compete for their share of the resulting market.
- 2** UKSIF's **core business activities** are
  - to provide a membership network, delivering information, networking and other services to its members
  - to inform, educate and influence the public, the media, government and other external audiences
  - to undertake specific projects which advance sustainable and responsible finance
- 3** UKSIF obtains its core funding from membership, including the provision of membership services; as such, it **seeks to achieve its mission in ways which secure the continuing support of a critical mass of members**.
- 4** UKSIF seeks to **build on its core funding from members by attracting project funding from sources compatible with its mission**. These include sponsorship from members, charitable grants and government contracts.
- 5** UKSIF seeks to undertake a **critical mass of activities** that enable it to be a sustainable organisation that can deliver its mission. However, it avoids activities that are already being addressed effectively by other organisations. And where other organisations are more suitable and can be encouraged to take action, UKSIF prefers to be a **catalyst rather than a competitor**.
- 6** Corporate governance is within UKSIF's scope in principle. However, UKSIF has decided that its work on corporate governance should be limited to the interface between governance and social / environmental / ethical (SEE) issues ie. **SEE governance / corporate responsibility governance**. UKSIF does not seek to develop a specific competence on conventional governance issues, as this is already well served by other organisations.

# Chair & Chief Executive's Report

*Today, we face a unique opportunity to advance sustainable and responsible investment and other financial services that support sustainable development. The debate on financial reform and openness to new investment ideas both offer major opportunities for change.*

UKSIF aims to play a leading role in helping the UK finance sector to respond. We believe that sustainable and responsible financial services are the right solution for everyone not only for the deeply committed. Financial services must meet the needs of providers and users of capital in new and better ways and, at the same time, protect and support the real economy, society and the environment. The future will not and must not be like the past.

The efficient and effective allocation of capital is a core role of the investment sector. There is now an urgent need to redirect private sector investment and incentivise companies to build a low-carbon, resource efficient, socially sustainable economy. In summary, we need to make capitalism work better.

This review describes how we are working with our members across a range of markets to address this critical challenge.



**Steve Waygood**  
Chair



**Penny Shepherd MBE**  
Chief Executive

## 2007-2010 Strategic Aims

**To ensure that the UK finance sector is the world leader in advancing sustainable development through financial services.**

**To achieve this, UKSIF aims to**

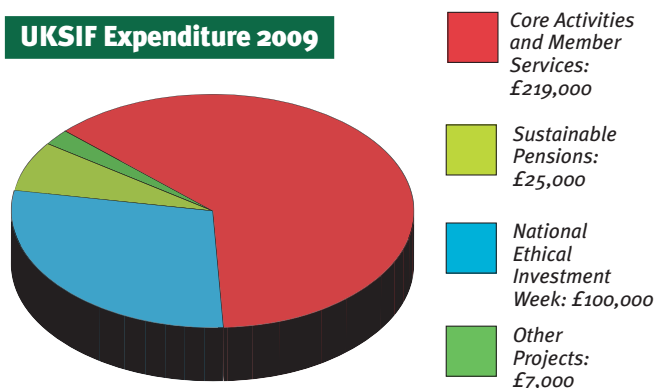
- Grow Customer **Demand**
- Ensure Access to High Quality **Supply**
- Ensure that the **Operating Environment** for the UK Finance Sector encourages and enables leadership in Sustainable and Responsible Finance
- Continuously improve **UKSIF's capacity** to achieve its mission and strategic aims

## Finances and Governance

Founded in 1991, UKSIF is a non-profit membership association with more than 200 members, including fund managers, banks, investment banks, financial advisers, investment consultants, pension funds, research providers, NGOs, trade unions and individual members. Our latest 2009 budget anticipates a total expenditure of £351,000, which includes a core expenditure of £219,000 and programme expenditure of £132,000.

*Our audited accounts are available on request.*

### UKSIF Expenditure 2009



# UKSIF Achievements

## Strategic Aim 1: Grow Customer Demand

### NATIONAL ETHICAL INVESTMENT WEEK

National Ethical Investment Week (NEIW) supporters are currently planning activities and events for NEIW09, to be held 8-14 November. NEIW shows investors that they can make money *and* make a difference.

UKSIF members, representatives from major trade bodies, charities, NGOs and journalists praised the first National Ethical Investment Week in 2008 as an effective way to raise awareness of green and ethical investment options. An independent evaluation has shown how the campaign can reach more investors in 2009. Find out more at [www.neiw.org](http://www.neiw.org)



*"absolutely excellent and a great platform to build on in future years"*

*–UKSIF Member comment from the 2008 NEIW evaluation report*

**NEIW09 will be sponsored by:**

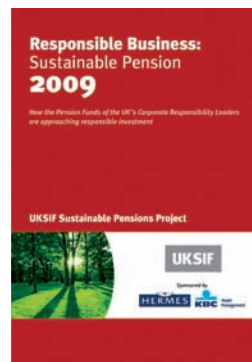
The **co-operative** bank  
insurance  
investments



### SUSTAINABLE PENSIONS PROJECT

In June 2009, UKSIF published the second biannual "Responsible Business: Sustainable Pensions" report. UKSIF surveyed the pension funds of UK companies highly regarded for their Corporate Responsibility.

The report demonstrates that a group of Responsible Investment (RI) champions is beginning to emerge.



**UKSIF thanks the following report sponsors:**



UKSIF continues to support pension funds and their advisers through the sustainable pensions library and a quarterly e-newsletter. All publications and resources are available at [www.uksif.org/sustainablepensions](http://www.uksif.org/sustainablepensions).

## Strategic Aim 2: Ensure Access to High Quality Supply

### HIGHLIGHTS FROM 2008-09 ANALYST PROGRAMME

#### Oil Sands

Joint event with The Co-operative Financial Services and WWF examining investor risk and the environmental impacts of oil sands.

#### Human Capital Management

Speakers from AstraZeneca, AXA, IPA, Oddo Securities and Standard Chartered.

#### From Poznan to Copenhagen

Roundtable with IIGCC discussing the outcomes of the Poznan climate change conference and opportunities for investors to influence the Copenhagen negotiations.

#### The Economic Impacts of Climate Change Adaptation

Speakers from ABI, Defra, Ecofys and Forum for the Future.

#### Chemical Safety in Consumer Products Industries

In association with Henderson Global Investors with speakers from Chem Trust, Goldman Sachs and Unilever.

#### Carbon Capture and Storage (CCS)

A seminar addressing developments and future trends for CCS, with speakers from CCSA, Citi Investment Research and E3G.

#### INVESTOR COLLABORATION

*UKSIF coordinates selective collaborative engagement projects for its investment management members. These have included a project addressing labour standards in UK retailers' global supply chains. Through the project investors have met with leading retailers and other stakeholders to examine and rebuild the investment case for well-managed supply chains.*

## ETHICAL INVESTMENT ASSOCIATION

The Ethical Investment Association (EIA) has joined forces with UKSIF, officially becoming a separate chapter for financial advisers. The EIA provides ongoing support for advisers who want to attract the growing number of consumers looking for advice on green and ethical investment.



*The EIA also launched a new website, featuring a searchable map so that consumers can find an EIA member in their area.*

## THOMSON REUTERS EXTEL SURVEY

UKSIF continues its partnership with Thomson Reuters to produce the Thomson Reuters Exel SRI & Sustainability Survey, the leading assessment of sell side research and brokerage services. The 2009 Survey includes a record contribution from 215 buy-side firms and 20 brokerage firms.



THOMSON REUTERS

EXTEL SURVEYS  
IDENTIFYING EXCELLENCE

## EUROPEAN SRI TRANSPARENCY GUIDELINES

UKSIF promotes the leading pan-European tool with which providers are demonstrating their commitment to transparency on green and ethical issues.

UKSIF supported the Ethical Investment Association in compiling "All Clear", a report surveying the adoption of the guidelines by UK funds. The EIA recognised eight product providers for their clarity and openness, and for helping consumers and financial advisers make informed choices.



## INVESTING IN A SUSTAINABLE RECOVERY

Convened by UKSIF, Tomorrow's Company and the HSBC Climate Change Centre of Excellence, the "Investing in a Sustainable Recovery" Initiative (ISRI) brings together leading individuals and organisations to explore systemic and practical solutions to mobilise private capital for low carbon growth and climate-resilient investment.

This is a time-limited and targeted intervention that aims to trigger "transformative" change in the run-up to the Copenhagen negotiations and beyond.

# Strategic Aim 3: Ensure that the Operating Environment Encourages Leadership in Sustainable Finance

## INFLUENCING CAPITAL MARKETS

UKSIF is working with its members to ensure that financial services policies, regulations and cultural norms support sustainable development and a long-term responsible approach to wealth creation and management. Our activities to influence and support regulators, policy makers and financial services trade and professional bodies include:

### Developing and promoting financial reform proposals

- Articles on reshaping capital markets, eg. in Green Alliance report "From Crisis to Recovery"
- Joint statement "Transforming global capital markets" to G20 from worldwide sustainable investment associations
- Consultation responses on the Turner Review, the Combined Code and other regulatory plans

### Facilitating high-level engagement

- Investor letter to G20 London Summit UK on a 'green' focus in economic recovery measures
- Joint investor / NGO delegation to brief Rt Hon Stephen Timms MP, Financial Secretary to HM Treasury

### Providing access to information and research to support the debate

- Sustainable Capital Markets Library
- Online repository of practitioner discussion notes
- "Finance for a Sustainable Recovery" blog

## UKSIF NAME CHANGE

UKSIF changed its name in 2009 to better reflect its aim of advancing sustainable investment and finance. Following a decision taken at the 2008 AGM, the organisation is no longer the UK Social Investment Forum, but is now known as UKSIF – the sustainable investment and finance association.

A new logo and website launch supported this important change.



# UKSIF Membership and Benefits

## Our members are able to:

- Participate in the UK-based network representing the broadest set of stakeholders in the sustainable finance sector.
- Receive up-to-date information from “What’s New”, UKSIF’s monthly e-newsletter, and feature their organisation’s news in its pages.
- Participate in a network of contacts in sustainable finance and access the industry knowledge and experience of our members and staff.
- Join cooperative efforts to influence government and policy makers on behalf of responsible finance.
- Attend UKSIF’s members-only programme of events, including relevant aspects of our highly-regarded analyst and marketing seminars.
- Access high-level information and presentations, available only on the members’ section of our website.
- Receive invitations to networking opportunities such as our AGM and social events, as well as to events organised by UKSIF members and other leading business organisations.
- Benefit from involvement in major industry initiatives such as National Ethical Investment Week and the Sustainable Pensions Project.
- Highlight their organisation’s details in the membership directory available at [www.uksif.org](http://www.uksif.org).
- Expand business opportunities and profile through sponsorship of UKSIF resources and activities.

*“KBC joined UKSIF in 2008 because we saw the opportunity to work with UKSIF members to advance the sustainable and responsible finance agenda. Our membership has brought the additional benefit of helping us stay at the forefront of industry developments through the member services programme.”*

*Supporting this year’s Sustainable Pensions Survey has allowed us to experience the impact of UKSIF initiatives first-hand, reinforcing our own commitment to leadership in sustainable investment.”*

*Steve Falci, Vice-President – Sustainable Investment, KBC Asset Management*

## Membership Fees

Group Category	By negotiation	(£10,000 minimum)		Staff 2-9:	£200
				Sole Trader/RI:	£100
<b>Category 1</b>			<b>Category 3</b>		
<i>Banks/ Fund Managers</i>	Funds >£5bn:	£5,000	<i>Pension Funds, Charities and Others</i>	Assets >£25bn	£2,500
	Funds >£1bn:	£3,000		Assets >£0.5bn:	£900
	Funds >£0.25bn:	£1,500		Assets >£50m:	£300
	Other:	£900		Other	£100
<b>Category 2</b>			<b>Individual Supporters</b>		£40
<i>Professionals</i>	Staff >50:	£1,500			(all fees exclude VAT)
	Staff 20-49:	£750			
	Staff 10-19:	£400			

# UKSIF Members and Affiliates at 30 June 2009 include

## **Banks & Building Societies**

Barclays Plc  
Co-operative Financial Services  
Ecology Building Society  
HSBC Holdings Plc  
Lloyds Banking Group  
Standard Chartered  
Triodos Bank  
Unity Trust Bank

## **Investment Management Institutions**

Aberdeen Asset Management  
AEGON Asset Management  
Agro-Ecological Investment Management  
Aviva Investors  
AXA Investment Managers  
Baillie Gifford & Co  
Capital Elements  
Capricorn Investment Group  
Catalyst Fund Management and Research Ltd  
Cazenove Capital Management Ltd  
CCLA Investment Management  
Cheviot Sustainable  
Consensus Business Group  
Credit Suisse Asset Management  
Ecclesiastical Insurance Group  
Epworth Investment Management  
Equitix Ltd  
F&C Management Ltd  
Foresight Group  
Friends Provident Life and Pensions Ltd  
Generation Investment Management LLP  
Global Forestry Investments  
Governance for Owners LLP  
Henderson Global Investors  
Hermes Fund Managers  
Impax Group  
Insight Investment  
Invicta Capital  
Jupiter Asset Management  
KBC Asset Management  
King and Shaxson  
Legal & General Investment Management  
Living Planet Fund Management  
Marwyn Investment Management LLP  
Newton Investment Management  
QUADRIS Environmental Investments Ltd  
Rathbone Greenbank Investments  
RCM (UK) Ltd  
Sarasin & Partners LLP  
Schroder Investment Management  
Skandia  
Standard Life Investments  
Threadneedle Investments

## **Investment Banks**

Citi Investment Research  
Credit Agricole Cheuvreux  
Goldman Sachs  
Oddo Securities  
Sustainable Development Capital LLP  
UBS (Investment Bank)

## **Investment Consultants**

AllenbridgeEPIC Investment Advisers  
Hewitt Associates  
Mercer  
Watson Wyatt LLP

## **Occupational Pension Funds**

Environment Agency Pension Fund  
London Pensions Fund Authority

Railpen Investments  
Universities Superannuation Scheme

## **Independent Financial Advisers**

Archtrust Financial Services Ltd  
Ashlea Financial Planning Ltd  
Aspen Financial Services  
Barchester Green Investment  
Beechwood Financial Management  
Bromige  
Barry Brown  
Ethical Financial Planning  
Ethical Futures  
The Ethical Investment Co-operative  
Ethical Investors Group  
The Ethical Partnership  
Ethikos LLP  
Evans Ash Financial Services LLP  
Alex Farrow  
The Financial Planning Group  
Finansec Green  
The GÆIA Partnership Ltd  
Heron House Financial Management  
Highcliffe Financial Management Ltd  
Holden and Partners  
Honour Financial Planning Ltd  
Imperial Independent Financial Advisors Ltd  
Innovate Financial Services  
Interface Financial Planning Ltd  
Investing Ethically Ltd  
Kent Insurance Services  
Robin Keyte  
Kingswood Consultants  
Medical and Professional  
Orkney IFA Ltd  
Tanya Pein  
Platinum (SRI) Financial Services  
Prest Financial Services Ltd  
Southgate Financial Services Ltd  
Stewart Investment Planning  
Thompson Little  
UK IFA NET  
Graham Walton  
Ian White  
Your Money Matters

## **Research Providers & Professional Advisory Firms**

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Active Earth Research  
African Rainbow Consulting Ltd  
Agulhas  
Andlug Consulting  
ASSET4 AG  
AIFA (Association of Independent Financial Advisers)  
Bates Wells & Braithwaite  
Stuart Bell  
Capita Financial Software  
Centre for Social and Environmental Accounting Research  
Centre Info SA  
Clifford Chance LLP  
CO3  
CorporateRegister.com Ltd  
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Delsus Ltd  
EIRIS  
Ethical Money Ltd  
Ethical Screening  
FTSE Group  
Graham Stuart & Associates Ltd

Greenspire Advisors Ltd  
Investing For Good  
Julia Dreblow (SRI Consultants Limited)  
Kaleidoscope Policy and Research  
KCF - Consulting  
KLD Research & Analytics  
Zoe Knight  
Marksman Consulting  
Manifest  
Dr Andy Mullineux  
oekom Research AG  
PIRC Ltd  
RiskMetrics  
Sancroft  
Standards International  
SustainAbility  
Sustainable Investor  
Sustainalytics  
Trucost  
Upstream  
VB/Research Ltd  
Vigeo

## **Other Organisations**

Amnesty International UK  
Angier Griffin  
ASRIA (Association for Sustainable & Responsible Investment in Asia)  
BITC (Business in the Community)  
Big Issue Invest  
Carbon Disclosure Project  
Carbon Trust  
Church of England Ethical Investment Advisory Group  
Clear Profit  
CDFA (Community Development Finance Association)  
ECCR (Ecumenical Council on Corporate Responsibility)  
EcoConnect  
Ethical Consumer Magazine  
Ethical Performance  
EUROSIF  
Fair Investment Company  
Fair Pensions  
Forum for the Future  
Greenpeace UK  
IIED  
Joseph Rowntree Charitable Trust  
KoSIF (Korea Sustainability Investing Forum)  
NEF  
Oikocredit  
Oxfam  
Polden-Puckham Charitable Foundation  
Christopher Powles  
Prairie Trust  
RIAA (Responsible Investment Association Australasia)  
Charles Scanlan  
SEIU Capital Stewardship Program  
Shared Interest  
Social Investment Forum (USA)  
Social Investment Organization (Canada)  
SROI-UK  
SRI Briefings  
Tomorrows Company  
Traidcraft Exchange  
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*Board members serve in a personal capacity.  
Organisational affiliations are given for information only.*

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<b>Adam Ognall</b>	Deputy Chief Executive and Company Secretary
<b>Anne Desgagniers</b>	Sustainable Pensions Adviser
<b>Louise Hopper</b>	Administrator
<b>Stephanie Walker</b>	Communications
<b>Lisa Wootton</b>	Member Services

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