



First In-Depth Report on Responsible Investment Practices of Leading Public Pension Funds highlights inspiring examples

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The first in-depth practical report describing how leading public pension funds from across the globe are meeting the challenge of responsible investment is being launched today.

The report *Responsible Investment in Focus: How leading public pension funds are meeting the challenge* aims to inspire more pension funds worldwide to deepen their responsible investment practices and, building on this international experience, develop their own strategies and approaches.

It provides detailed examples of some of the most advanced and creative approaches currently being adopted and demonstrates how responsible investment has moved forward in recent years.

Fifteen in-depth case studies cover public pension funds across five continents, with assets ranging from \$33m to \$460bn (US dollars).

The report will be launched at a seminar for pension fund trustees in London today, with speakers representing five of the pension funds profiled: AP2 (Sweden), the Environment Agency Pension Fund (UK), Fonds de Réserve pour les Retraites (France), Norges Bank (for Government Pension Fund (Norway)) and PGGM (Netherlands).

The other ten pension funds highlighted in the report are ABP (Netherlands), ARIA (Australia), Caisse de dépôt et placement du Québec (Canada), CalPERS (USA), CIA (Switzerland), ERAFP (France), Government Pension Fund (Thailand), Metallrente (Germany), PREVI (Brazil) and TIAA-CREF(USA).

Produced jointly by the United Nations Environment Programme Finance Initiative (UNEP FI) Asset Management Working Group (AMWG) and the UK Social Investment Forum (UKSIF) Sustainable Pensions Project (SPP), the report is a snapshot of the current state of play rather than a comprehensive study of best practice or a benchmarking exercise.

Paul Clements-Hunt, Head, UNEP Finance Initiative, a public-private partnership between the United Nations Environment Programme (UNEP) and 165 financial institutions worldwide, explained: 'Until now, it has been difficult to get an appreciation how approaches to responsible investment have moved forward over the last few years. By bringing these examples together, we have made it easier for pension funds to see what is being done and what can be achieved. The report reconfirms the speed at which environmental, social and governance issues are being mainstreamed by pension funds and other institutional investors.'

Michael Deakin, Chair of the UKSIF Sustainable Pensions Advisory Board, that oversees UKSIF's project to assist UK occupational pension funds to adopt more sustainable and responsible investment strategies, said: 'We hope that this report will enable UK pension funds in particular to develop a deeper understanding of the range of responsible investment strategies now being

practiced worldwide and use this knowledge to advance their own responsible investment practices’.

As well as describing their responsible investment practices, the report highlights the drivers and motivations for the pension funds profiled.

Rob Lake, Senior Portfolio Manager, Environmental, Social and Governance Issues, ABP Investments said: ‘ABP firmly believes that integrating environmental, social and governance (ESG) factors into its investment processes will help to improve risk-adjusted financial return. Engaging with companies to improve their management of ESG risks is an integral part of this. We have expanded our resources in this area recently and plan to do so further in the future.’

Carl Rosén, Head of Corporate Governance and Communications, AP2 said: ‘As a large investor with significant assets we believe responsible investment is aligned with our duty to beneficiaries, it is our understanding that an enlightened attitude to environmental and ethical issues can enhance a company’s value.’

Nada Villerman-Lécolier, Head of responsible investment strategy, Fonds de Réserve pour les Retraites said: ‘As a public investor, acting in the interest of the community, Fonds de Réserve pour les Retraites is keen on assessing the extent to which companies manage the impacts of their activities on society, namely if and how they measure, limit or compensate their negative externalities.’

Ginette Depelteau, Senior Vice-President, Policies and Compliance, Caisse de dépôt et placement du Québec said: ‘Caisse de dépôt et placement du Québec considers environmental, social and governance (ESG) issues in its activities mainly for two reasons: the risk they represent in investments and the essential factors they are in the pursuit of sustainable economic development, both reasons being intrinsically linked.’

Heribert Karch, Managing Director, MetallRente said: ‘For MetallRente, responsible investment is not only an ethical issue but also part of efficiency: The more sustainability you put in, the more security and improvement of investment strategies you have. This ethic and efficiency is part of the social partnership in MetallRente.’

Michel Ducommun, Vice-President, Employees’ Representative, Caisse de Prévoyance du Personnel, Enseignant de l’Instruction Publique et des Fonctionnaires du Canton de Genève (CIA) said: ‘At the CIA, we are conscious that the funds we manage belong to our members, the employees of the canton of Geneva. This means we invest with a sense of social responsibility, and give importance not only to financial results, but also to social and environmental criteria.’

José Reinaldo Magalhães, Chief Investment Officer, PREVI said: “For PREVI, integrating environmental, social and governance (ESG) issues is a fundamental part of our strategy since our mission, beyond payment of benefits, is to assure a better standard of living for our participants in the long run. This vision puts “sustainable environment” and “social responsibility” concepts at the foremost of our investment perspective.”

Howard Pearce, Head of Environmental Finance and Pension Fund Management, Environment Agency said: ‘At the Environment Agency Pension Fund, we believe that environmental issues like climate change have growing economic impact and will increasingly affect the financial performance and sustainability of companies. Our responsible investment strategy is grounded on fund managers’ investment decision-making processes that include environmental issues for fundamental economic and financial reasons, rather than any moral or ethical reasons.’

ENDS

Notes to Editor

About the United Nations Environment Programme Finance Initiative (UNEP FI) Asset Management Working Group (AMWG)

The United Nations Environment Programme Finance Initiative (UNEP FI) is a global partnership between UNEP and the private financial sector. UNEP FI works closely with the 165 financial institutions that are signatories to the UNEP FI Statements, and a range of partner organisations, to develop and promote linkages between the environment, sustainability and financial performance.

Through regional activities, a comprehensive work programme, training programmes and research, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

The asset management working group is an alliance of 14 investment managers from Brazil, France, Italy, Japan, North America, and the UK. Members collaborate to understand the ways that environmental, social and governance (ESG) issues can affect investment value, and the evolving techniques for their inclusion in portfolio investment decision-making and ownership practices.

Member institutions include:

ABN AMRO Banco Real Brasil	Hermes Pensions Management
Acuity Investment Management	HSBC Investments
BNP Paribas Asset Management	Insight Investment Management
Calvert Group	Mitsubishi UFJ Trust and Banking Corp
Clearbridge Advisors,SAI	Morley Fund Management
Groupama Asset Management	RCM (UK) (Allianz Global Investors)
Henderson Global Investors	Eurizon Capital

For further information, visit: <http://www.unepfi.org/amwg/>

About the UKSIF Sustainable Pensions Project (SPP)

The UK Social Investment Forum (UKSIF) is the membership network for sustainable and responsible financial services. It promotes finance that supports sustainable economic development, enhances quality of life and safeguards the environment. It also seeks to ensure that individual and institutional investors can reflect their values in their investments. The Forum was launched in 1991 to bring together the different strands of sustainable and responsible financial services within the UK and to act as a focus and voice for the industry. UKSIF's 200+ members and affiliates include pension funds, investment consultants, institutional and retail fund managers, investment banks, retail banks and building societies, financial advisers, socially responsible investment (SRI) research providers, trade unions, community development finance institutions, non-governmental organizations and interested individuals.

The UKSIF Sustainable Pensions Project was launched in 2006 to assist UK occupational pension funds to adopt more sustainable and responsible investment strategies. It seeks to encourage the pension schemes of companies which are leading the way on corporate responsibility (CR) practices and local government pension funds to consider environmental and social issues also in their pension fund investment decisions. It believes that this should help to protect and enhance long-term shareholder value and financial returns for the scheme beneficiaries.

The project is overseen by an independent Sustainable Pensions Advisory Board, chaired by Michael Deakin.

Michael Deakin is Director of Michael Deakin Consultancy Ltd (www.michaeldeakin.co.uk) and has over 25 years investment experience. He is currently a trustee of the HBOS Final Salary Pension Scheme and a member of the board of the London Pension Fund Authority and of the Pension Protection Fund. He retired as Chief Investment Officer for Insight Investment, the investment management business of the HBOS Group, at the end of September 2003. At Insight Michael was responsible for over £65 billion of assets, including fixed income, equities, property and cash and for over 150 investment professionals. He is a former Deputy Chairman of the Investment Committee of the Association of British Insurers.

For further information, visit <http://www.uksif.org/pension-funds/sustainable>

Pension Funds Profiled (in alphabetical order)

	Name	Country	Continent	AUM (US dollars)
1	ABP	Netherlands	Europe	265bn
2	AP2	Sweden	Europe	27bn
3	ARIA	Australia	Australasia	13.5bn
4	Caisse de dépôt et placement du Québec	Canada	North America	143.5bn
5	CalPERS	USA	North America	218bn
6	CIA	Switzerland	Europe	5bn
7	Environment Agency Pension Fund	United Kingdom	Europe	2.7bn
8	ERAFP	France	Europe	4bn
9	Fonds de Réserve pour les Retraites	France	Europe	42bn
10	Government Pension Fund (Norway)	Norway	Europe	280bn
11	Government Pension Fund (Thailand)	Thailand	Asia	9bn
12	Metallrente	Germany	Europe	33m (Pension Fund)
13	PGGM	Netherlands	Europe	97bn
14	PREVI	Brazil	South America	50bn
15	TIAA-CREF	USA	North America	406bn

Total = over 1.5 trillion dollars in assets under management.

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