



UK  
Social  
Investment  
Forum

## Questions to ask your fund manager

The questions overleaf are designed to help pension fund trustees assess how their fund managers are incorporating social, ethical and environmental risks into their stock selection, and / or their engagement with companies.

The questions are based on the risks highlighted in the Tobacco, General Retailers, Construction and Building Materials, Extractive Industries, Beverages and Financials sector notes.

Just Pensions recommends asking your fund managers a couple of questions on a risk of concern to the board of trustees or fund members. This will help stimulate conversation with fund managers on a broader set of risks facing investment decisions. The quality of responses received will give you an indication of how thoroughly social, ethical and environmental risks are being taken into account in the investment process.

Previous notes on the Pharmaceutical, Utilities, Media, Telecoms and Food sectors, as well as questions related to these sectors are all available to download for free at [www.justpensions.org](http://www.justpensions.org).

Just Pensions has also published a Responsible Investment Trustee Toolkit. The toolkit provides trustees with:

- Best practice first steps for different types of pension scheme;
- Potential next steps; and
- 'How to do it' guides to socially responsible investment, ranging from developing high level policy to fund manager selection and assessment.

If you would like a copy of this toolkit, please email [info@justpensions.org](mailto:info@justpensions.org) or call 020 7440 9712.

\*Just Pensions is a programme of the UK Social Investment Forum – the UK's membership network for socially responsible investment. Just Pensions aims to educate and influence UK pension funds and other institutional investors about the importance of integrating socially responsible investment into their long term investment strategy.

## Relationship

## Short term risk

## Long term risk

### Regulators / Government

Which industrial sector do you think suffers the greatest cost of compliance with regard to **environmental regulation**? In your opinion, which company within this sector manages these costs best?

Are there any companies in the beverages sector that you think are not taking the future cost of **government regulation** into account sufficiently in their planning?

Which tobacco companies are abiding by codes of practice, in order to avoid the spread of both litigation and stricter regulation to markets with little **tobacco control**?

Within the extractive industries sector which companies do you see as leaders in the area of developing cleaner resources and acting viably in a **carbon constrained economy**?

### Employees / Human Capital Management

Which companies in the general retailers sector do you think provide the best **working environment**, enhancing customers' shopping experience and their loyalty?

Can you give an example of a company in the financial services sector that has maintained the **support of remaining employees** and other stakeholders in ongoing redundancy programmes in high cost European countries, coupled with continued outsourcing to lower cost countries?

How would you spot signs that **low investment in remuneration and training of staff** in general retailers companies are impacting on performance?

Which companies in the construction and building materials sector are best addressing long term solutions to **training and recruitment problems**?

### Consumers / Customers

Which companies in the beverages sector do you think have good **responsible marketing** strategies?

Which companies in the financial services sector do you think are best applying lessons learnt on the **mis-selling of financial products** in the past to creditor protection policies or home equity releases that may be contentious areas in the future?

Which companies in the construction and building materials sector will be most able to respond to **customer demand for sustainable products** and certified management systems, therefore minimising the risk to losing contracts to their more sustainably-oriented competitors?

### Supply base

Which companies in the general retailers sector do you think have the best **responsible and sustainable sourcing** policies?

How have you seen companies rewarded for implementing **sustainable sourcing / production** policies?

Which companies in the extractive industries sector are adequately managing the risks of **access to reserves** in environmentally sensitive locations and developing countries where there are risks related to the rule of law (e.g. enforcement of regulations and human rights)?

### Global governance organisations

Could you give an example of a company which you think has prepared well for the challenges / opportunities they will face as **global trade is liberalised**?

Which sectors do you expect to see as winners and losers as **trade barriers** are further reduced?