

JUSTPENSIONS

Investors to engage food companies on their operations in emerging and developing economies

Insight Investment, Jupiter Asset Management and Morley Fund Management today call on executives of food processing and retail businesses to proactively address the social and environmental risks they face in operating in and sourcing from the developing world. A research note published today by Just Pensions, with the support of these three leading UK asset managers, describes the key risks that companies face and makes suggestions as to how companies might address those risks.

The group of investors, convened by Just Pensions, have developed a framework for discussion between investors and management of major UK listed food companies. The framework highlights three areas of potential risks: 1. labour standards in the supply chain, 2. sustainable agriculture and 3. the transition to western style fast food diets in emerging markets.

Rachel Crossley of Insight Investment said:

"Labour standards in the food supply chain are a concern to us. Food processors and retailers increasingly source products from the developing world where legal protection of workers' rights are often weak and working conditions poor. Consumer awareness and campaigns on labour standards issues have grown significantly in the last few years, increasing the risk of reputational damage to these companies should their customers discover that products are made in sweatshop-like conditions. We are therefore encouraging companies to ensure that their buying and pricing practices support their ethical trading commitments and that they uphold international labour standards in their supply chain."

Melissa Gamble of Morley Fund Management said:

"An environmentally sustainable agriculture system is fundamental to the long term prospects of the food sector. We are interested in talking with companies about how an holistic approach to food production can contribute to ensuring the supply of high quality produce over the long term and limit environmental damage."

Simon Abrams of Jupiter Asset Management said:

"The transition to western style fast food diets within emerging markets threatens to lead into a fully fledged obesity epidemic within the next 20 years. Awareness of these issues is growing among consumers, health professionals and governments. As shareholders we are concerned that poor practice by food manufacturers and retailers in less regulated markets may lead to a consumer backlash and potential legal claims. We hope that recommendations in the framework will help companies understand how performance improvement in the areas of marketing codes, labelling and product choice can minimise business risks in these important markets. "

The food discussion framework is available to download for free at www.justpensions.org/pdf/jp-foodframework.pdf.

-ENDS-

Notes to Editors

1. *Just Pensions* is a programme of the UK Social Investment Forum (UKSIF) - the UK's membership network for socially responsible investment (SRI). *Just Pensions* aims to educate and influence UK pension funds and other institutional investors about the importance of international development issues in their practice of

PRESS NOTICE: 30th September 2004

SRI. In addition to its education and awareness raising activities, *Just Pensions* co-ordinates in-depth research to assess current practice and works to address the blocks to the growth of SRI generally and pro-poor SRI in particular. *Just Pensions* also provides SRI toolkits for trustees, and engages with stakeholders on SRI best practice. Together with UKSIF and Eurosif, *Just Pensions* aims to raise SRI on the public policy agenda in the UK and Europe. *Just Pensions* draws upon the expertise of a multi-stakeholder advisory board of SRI practitioners and other industry specialists and currently receives core funding from the Department for International Development (DFID). For further information, visit www.justpensions.org.

For further information and press enquiries, please contact:

Rachel Crossley
Director of Investor Responsibility, Insight Investment
020 7321 1262

Melissa Gamble
Company Analyst, Morley Fund Management
020 7809 6211

Simon Abrams
Senior Analyst, Jupiter Asset Management
020 7314 4771

Meg Brown
Sector Analyst, Just Pensions
020 7440 9711