

What's New in Social Investment

January 2003

Prepared for members and affiliates of the UK Social Investment Forum

For further information, please contact info@uksif.org or 020 7405 0040

For Your Action

In response to feedback: 'What's New' will now be published every month (exc. July and Dec.)

Please e-mail, or ask your press office to send, news items, people moves etc to info@uksif.org.

Volunteers required to continue the search for key biodiversity indicators

Following this month's UKSIF/Earthwatch event, 'Biodiversity for Fund Managers', we are looking for volunteers from the audience to continue the dialogue between companies and investors. Please e-mail info@uksif.org.

Request for feedback on Eurosif's voluntary Transparency Guidelines for retail SRI funds

Eurosif is seeking *initial* feedback from interested stakeholders, including the national social investment fora, on their proposed guidelines for retail SRI funds by 28 February (see the 'Activities' section at www.eurosif.org for further details). In order to guide UKSIF's response, we are forming a steering committee and have invited representatives from retail SRI fund providers (representing 75% of the UK retail SRI fund market), plus key UK-based Eurosif members with knowledge of the retail market, to participate. Organisations who have confirmed their participation include: Aegon, AMP/NPI/Hendersons, CIS, EIRIS, Friends Provident/ISIS, Jupiter, and Insight/HBOS. If you have any *initial* comments about the guidelines that you would like the Steering Committee to consider at their first meeting, please e-mail helen.barnes@uksif.org by 10 February. The steering committee will also meet in the Spring, and feedback will be sought from key stakeholders (including IFAs, NGOs and the Consumer Association) before then.

Call for nominations – EC Multi-stakeholder Forum on CSR

As a result of recommendations made in the European Commission's (EC's) Communication on CSR, the European Multi-Stakeholder Forum on CSR has been established to explore the scope for promotion and convergence of CSR in Europe. A series of roundtables are being planned to discuss specific issues. The roundtables will cover four themes 1) Disseminating awareness and understanding of CSR issues and approaches 2) Fostering CSR amongst small and medium sized enterprises 3) Transparency, diversity and convergence amongst CSR tools 4) The role of CSR in supporting the development agenda outside the EU. To nominate yourself for a place, please contact your relevant stakeholder group representative on the coordination committee. For their contact details, please e-mail info@uksif.org or contact@eurosif.org.

DWP Green Paper – open for public consultation

The Department for Work and Pensions (DWP) invites all interested stakeholders to review and comment on its green paper on pensions, entitled 'Simplicity, Security and Choice: Working and Saving for Retirement' by 28 March. Further news about this and other consultations will be included in February's 'What's New'.

UKSIF and Just Pensions' News

FT coverage for Just Pensions' new report on MNTs attitudes to SRI

Just Pensions' recently published 'Will UK Pension Funds Become More Responsible?', a survey of member nominated trustees (MNTs), which indicated that pension fund activism on social and environmental issues is likely to increase. It also found that fewer than one in ten MNTs believe that companies are providing enough social and environmental information. For copies of the report, which was covered in the FT on 20 January and will be distributed at the TUC's first Workers' Capital conference in February, visit www.justpensions.org.

UKSIF provides support to the Institutional Investors Group on Climate Change (IIGCC)

Thanks to development grant funding from NatWest, we have created the temporary post of Development Officer which Helen Barnes accepted after her return from Eurosif. Helen is spending half her time supporting collaborative engagement activities (initially IIGCC). Support might be extended to other activities in due course.

UKSIF's Retail Revolution: taking retail ethical & responsible investment out of the <1% niche

We have had several 'yes, in principle' responses from potential funders for this programme, and hope to launch it in early July. A one page summary of the programme is available from helen.barnes@uksif.org.

UKSIF & Just Pensions respond to SRI proposals in 'Private Action, Public Benefit'

The Cabinet Office Strategy Unit's consultation document proposed that charities (with a total income of over £1 million) disclose whether or not they take social, environmental and ethical considerations into account in their investment strategies. Our submission supports and builds upon this proposal and refers to Just Pensions' July 2002 report 'Do UK Pension Funds Invest Responsibly?' by Duncan Green and David Coles and the SRI related recommendations in the recently published DTI-sponsored report 'Enabling Business in Resource Management' by the Innovation and Growth Team (IGT). For further information, visit www.uksif.org.

Chair of APPG tables SRI Early Day Motions (EDMs)

Tony Colman MP, Chair of the All-Party Parliamentary Group (APPG) on SRI, has tabled two EDMs in support of SRI proposals made in the Cabinet Office Strategy Unit's consultation document, 'Private Action, Public Benefit' (EDM 523) and the DTI-sponsored report 'Enabling Business in Resource Management' by the Innovation and Growth Team (IGT) (EDM 524). UKSIF provides the secretariat for the APPG on SRI and we will be encouraging APPG members and other parliamentarians to sign-up. Visit <http://edm.ais.co.uk> for details.

News from Members and Affiliates

People Moves

- Emma Howard Boyd from Jupiter Asset Management has been promoted to Head of Socially Responsible Investment. Louise Johnson-Hill, who previously worked in fund management at Jupiter for 6 years has rejoined Jupiter as an additional member of the SRI fund management team.
- Ross Courtier of Morley Fund Management has been promoted to the new position: Head of UK Activism.
- Nick Cliffe has joined the Forest Stewardship Council. Cliffe was formerly at Storebrand.
- Mirahv Marks has left the Ethical Investment Research Service (EIRIS), where she was Business Development Manager. Marks has joined Care for the Wild, where she will be Head of Fundraising.
- David Harris has joined the FTSE Group as a CSR Executive. Harris previously worked at the management consultancy Arthur D Little's global and environmental risk practice. This follows the appointment of Jayn Harding, the new Head of CSR at FTSE, who is responsible for developing the FTSE4Good indexes. Harding was previously the environmental manager at Sainsbury's.
- Ros Boyle and Selva Romero-Toledo are now employed directly by the Community Development Finance Association (CDFA). Ros is the Capacity Building Director and Selva Romero-Toledo is now the Office Manager. The CDFA has also appointed Sarah McGeehan as Information Director. McGeehan joined from the New Economics Foundation. Bernie Morgan will also be joining the CDFA as Chief Executive in April. Morgan is currently the Deputy Chief Executive at the Association of Charitable Foundations.
- Paula Smith has joined the London Sustainability Exchange (LSx) as project manager. Smith joins from the London Cycling Campaign. Lucy Russell has also joined LSx as the Administrator.
- Rob Cartridge is leaving War on Want to join the Bromley Refugee Network as Director.

Name and Other Changes

- Dresdner RCM Global Investors has changed its name to Allianz Dresdner Asset Management.
- Environmental Governance has changed its name to Upstream Strategies.
- Grosvenor Housing Association has changed its name to Arena.
- Manifest Voting Agency has changed its name to Manifest Information Services.
- Ethical Money has become part of the GAEIA Partnership.

ISIS named 'Best SRI Fund Manager'

ISIS Asset Management has announced that its Responsible Investment Overlay (reo) programme will be applied to institutional Royal & SunAlliance equity funds managed by ISIS. This announcement follows the move by Shropshire County Council Pension Fund and the John Lewis Partnership's Pension Fund to adopt the reo service for their portfolios. ISIS has been awarded the title 'Best SRI Fund Manager' in the Pensions Management Provider Awards. For further information, visit www.isisam.com.

CIS launches online voting record in a bid to boost corporate transparency

As part of the Co-operative Insurance Society's (CIS) Responsible Shareholding programme, CIS has placed its entire shareholder voting record on its website, hoping that it will help the process of restoring transparency and confidence in the investment process. The internet voting record will be frequently updated to provide information on each and every resolution on which CIS votes. For further information, visit www.cis.co.uk.

Jupiter publishes environmental research bulletin covering CSR in the boardroom

Jupiter's bulletin tracks the progress of CSR in the boardroom over the last decade (www.jupiteronline.co.uk).

BITC announces new strategy

At Business in the Community's (BITC's) AGM, David Varney, Chairman of BITC and mm02 announced a new strategy for BITC as it enters its 20th anniversary year – urging the top 1000 companies in the UK to sign up to a commitment to specific action for responsible business practice. For further information, visit www.bitc.org.uk.

EIRIS announces new Japanese research partner

The Ethical Investment Research Service (EIRIS) has announced a new research partnership agreement with a Japanese research company, Good Bankers. EIRIS's new partner will be responsible for researching the social, environmental and ethical performance of almost 400 Japanese companies. Visit www.eiris.org.

IRRC launches new corporate governance rating tool

The Investor Responsibility Research Centre (IRRC) has launched a new governance product, Corporate Benchmarker as part of IRRC's Corporate Governance Service. Investment professionals can explore the Corporate Benchmarker for comprehensive data providing company profiles, corporate governance structure, and social performance information to cover a full range of needs. For further information, visit www.irrc.org.

PIRC's corporate governance report highlights poor performance

According to Pensions Investment Research Consultants' (PIRC's) 'Annual Review of Corporate Governance', over 75% of UK companies boards are dominated by executives and non-executives who are not independent. The review also found that independent directors were in a majority on less than 20% of boards and 4% of companies have no independent directors on their boards. For further information, visit www.pirc.co.uk.

CoreRatings wins SRI research mandate for AP3

CoreRatings has won the SRI research and engagement mandates for the Third Swedish National Pension Fund (AP3). AP3 is one of the four independent buffer funds in the Swedish public pension system, managing K126.6 billion of public pension capital. According to the new laws governing the AP-funds, the funds 'must take environmental and ethical considerations into account without relinquishing the overall goal of a high return on capital'. For further information, visit www.coreratings.com.

Innovest wins a series of SRI mandates

Innovest Strategic Value Advisers has won a series of SRI mandates. The UK Environment Agency has chosen Innovest to provide specialist research for its pension fund, which will be investing in a new specially designed 'eco-enhanced' index fund. Mistra, the Swedish Foundation for Strategic Environmental Research has chosen Innovest to strengthen the environmental and ethical focus of 10-20% of its investments. Innovest will also help to provide definitive guidelines for investment in a new global SRI fund for the Dutch fund manager Loyalis, a subsidiary of ABP. For further information, visit www.innovestgroup.com.

SAM wins SRI mandate from Shell

The Dutch pension fund of the Royal Dutch/Shell Group of companies has awarded SAM Sustainable Asset Management a SRI mandate to manage €100m of European equities, which will be invested in best-in-class stocks. The pension fund assets are to be invested in line with the Shell Statement of General Business Principles. For further information, visit www.sam-group.com.

DIT launches Allianz Dresdner Global Sustainability Fund

Deutscher Investment Trust (DIT) has launched its first publicly offered fund, the 'Allianz Dresdner Global Sustainability Fund', a new sectoral fund of the SICAV 'Allianz Dresdner Global Strategies' umbrella fund and is 'orientated at the internationally recognised Dow Jones Sustainability Group World Index'. For further information, e-mail bozena.jankowska@dresdnerrcm.co.uk.

Co-op bank index shows green spending up by 19%

The Co-op Bank has published its annual Ethical Purchasing Index, which found that expenditure on green products and services increased by 19% in 2002 compared to the UK economy as a whole, which grew by just 2.1%. The fastest growing areas were green energy sales (which grew by 133%) and the newly tracked leisure category (which grew by a factor of 12). For further information, visit www.co-operativebank.co.uk.

EIA publishes 'Your Money Your Choice'

The UK's Ethical Investment Association (EIA) has published a brochure for financial advisers to distribute to their clients. The brochure has been developed to assist IFA's who do not have access to their own promotional literature on ethical investment. A free copy of the brochure will be distributed to relevant UKSIF members in the near future. For multiple copies, e-mail helen.barnes@uksif.org.

ASrIA publishes research report on labour standards in China

The Association for Sustainable and Responsible Investment in Asia (ASrIA) has published its first comprehensive overview of the issues and complexities involved in assessing labour standards when making investments in China. For further information, visit www.asria.org/publications.

Canadian SIO releases guide to shareholder action

The Social Investment Organization has released 'Socially Responsible Shareholdership in Canada: A Handbook for Institutional Investors'. The handbook has been published in response to a growing demand for information on how institutions can use their power as shareholders to influence corporations and provides advice for institutional investors who wish to vote their proxies, sponsor shareholder proposals or engage with companies on social and environmental issues. For further information, visit www.socialinvestment.ca.

US SIF urges proposal for reform to curb corporate scandals

The US Social Investment Forum (US SIF) has published a 'Statement on Corporate Scandals and Proposals for Reform'. In the statement, the US SIF calls for shareholders to approve stock options and severance packages, a more democratic election of corporate directors and disclosure of social, environmental and ethical (SEE) performance, risks and liabilities. For further information, visit www.socialinvest.org.

Other News and Information

Further details about the new bond to meet Millennium Development Goals announced

Following the pre-budget report in November, Gordon Brown MP announced further details for an International Finance Facility (IFF) at the Royal Institute of International Affairs Conference, entitled 'Financing Sustainable Development, Poverty Reduction and the Private Sector'. The money raised will be used to directly finance education, health and economic capacity in developing countries. For further information, visit www.dfid.gov.uk.

Institutional Shareholders' Committee develops statements of principles

The Institutional Shareholders' Committee (ISC) has drawn up a new statement of principles, which set out best practice for institutional shareholders and agents as to their responsibilities in respect of investee companies. They include monitoring the performance of and establishing a regular dialogue with investee companies, evaluating the impact of their activism and reporting back to clients/ beneficial owners. The new statement develops the principles set out in the 1991 statement and expands on the Combined Code on Corporate Governance. For further information, visit www.abi.org.uk/Display/File/38/Statement_of_Principles.pdf.

WestLB Panmure publishes SRI report – Sustainability Pays

WestLB Panmure has published a report, entitled 'Sustainability Pays', which found that the 'sustainability factor' can boost returns by up to 2.1% per year. The report also found that sustainability filters can add value 'regardless of whether one is a value investor, a growth investor or an investor opting for the small, mid or large-cap style'. For further information and copies of the report, e-mail carola.walde@WestLBPanmure.com.

LAPFF announces new management & administrative arrangements

The Local Authority Pension Fund Forum (LAPFF) has established an Executive Committee drawn from members of LAPFF to manage the strategy and operations of the Forum going forward. The Forum will continue with its policy of engaging with companies on corporate governance. Visit www.lapfforum.org.

ACCA publishes research report on sustainability reporting

The Association of Chartered Certified Accountants (ACCA) has published a research report, entitled 'Social and Environmental Reporting and Ethical Investment', which examines the relationship between investment, reporting and stakeholder management in UK corporations. For further information, visit www.accaglobal.com.

PwC launches CEO survey results

PricewaterhouseCoopers has published its '6th Annual Global CEO Survey', which features the views of nearly 1,000 CEOs in 43 countries, and examines prospects for economic growth, efforts to rebuild public trust and CSR issues. The survey found 79% (up from 69% last year) of CEOs agreed that sustainability is vital to the profitability of any company and that 71% of CEOs said they would sacrifice short-term profitability in exchange for long-term shareholder value when implementing a sustainability programme. For further information, visit www.pwcglobal.com/globalceosurvey.

CSR Europe updates website and publishes new CSR reports

CSR Europe has updated its website (www.csreurope.org) and published new reports featuring research on two topics – CSR reporting and mainstreaming CSR across all levels of the organisation.

TRACE initiative launched to curb corruption in global business

TRACE has launched the 'TRACE Standard for Doing Business with Intermediaries Internationally' to assist multi-national companies in identifying overseas business intermediaries who share their commitment to transparent, anti-corruption business practices. For further information, visit www.traceinternational.org.

US SEC requires mutual funds to disclose proxy votes

The US Securities and Exchange Commission (SEC) has voted to adopt rule amendments that will require mutual funds to disclose their proxy voting policies and procedures, as well as actual proxy votes cast. The US Social Investment Forum has welcomed the SEC's decision, stating that the move has 'empowered investors with the right to information that can be used to evaluate the commitment of mutual funds and investment advisors to good corporate governance and long-term shareholder value'. Visit www.socialinvest.org.

ASIC proposes mandatory SRI guidelines for Australia

The Australian Securities and Investment Commission (ASIC) has published a discussion paper 'Socially Responsible Investing Disclosure Guidelines', which proposes that fund managers would have to give detailed descriptions of SRI criteria and processes if they claim to incorporate social, environmental and ethical considerations into account in their investment strategies. The paper urges the regulator to issue mandatory guidelines for fund managers to minimise the gap between policy and implementation. Visit www.eia.org.au.

Dutch 'Green' Tax Credit Saved

VBDO, the Dutch Social Investment Forum, has recently successfully campaigned to save the tax-free scheme for 'green' investments. The former Dutch government planned to stop this scheme which allows projects with a high environmental profile such as sustainable energy and organic farming to obtain cheaper loans and private green investors can invest at more attractive rates. Over 16,000 signatories were collected by VBDO and this convinced parliament to leave the scheme alone. In 2001 these tax free investments made up about 50% of the total retail SRI market in the Netherlands. For further information, e-mail piet.sprengers@vbdo.nl.

Kingsway launches new Asian SRI Fund

Kingsway Fund Management has launched the first Hong Kong based SRI fund that combines negative and positive SRI strategies. For further information, visit www.asria.org/news/press.

2002 Moskowitz Prize for research excellence in SRI

The 2002 Moskowitz Prize for research excellence in the field of SRI goes to three authors from the Maastricht University for 'International Evidence on Ethical Mutual Fund Performance and Investment Style'. The paper found that there is no statistically significant difference between the risk-adjusted returns of SRI funds in Germany, the UK and the US and those of conventional funds. For a summary, visit www.socialinvest.org.

New charity founded to link grant-seekers with donors in an innovative way

UKSIF member Frederick Mulder has helped to found The Funding Network (TFN), a new charity linking grant-seekers with donors in an innovative way. TFN holds funding days several times a year in central London, at which attendees hear 10 presentations covering a wide range of social change issues. In the afternoon, there is a unique opportunity for the audience to call out their pledges for the presenting organisations - these have ranged from £100 to £10,000 over the day. Each of the first three funding days raised over £50,000 for the presenters. For further information, visit www.thefundingnetwork.org.uk.

SRI & CSR Jobs

Programme Officer, New Economics Foundation, UK

The New Economics Foundation (NEF) is looking to recruit a Programme Officer to manage NEF's local business support programme. The successful candidate will have at least 2 years project management experience and the necessary skills to support community-led economic and business development. The individual will also possess strong monitoring/ communication skills. Salary: £22,718-£26,124. Closing Date: 10 February. For further information and an application pack, e-mail sue.carter@neweconomics.org.

Senior Evaluation Manager, New Economics Foundation, UK

The New Economics Foundation (NEF) is looking to recruit a Senior Evaluation Manager to further develop NEF's increasing reputation in community and organisational evaluation. The successful candidate will have at least five years evaluation experience. The individual will also possess a range of evaluative techniques, particularly participative evaluation methods and statistical analysis skills. Salary: £30,000-£35,000. Closing Date: 14 February. For further information and an application pack, e-mail sue.carter@neweconomics.org.

Policy Adviser (Job Share), Oxfam, UK

This Policy Adviser will analyse and provide policy advice on the operations, activities and impact of private companies in Oxfam's core campaign areas. The successful candidate will be educated to at least degree level and will have a sound knowledge of development and the private sector, as well as strong research, writing and communication skills. Salary: £26,980 - £34,730 (pro-rata). Closing Date: 7 February. Visit www.oxfam.org.uk.

Sustainable Development Officer, Exmoor National Park (ENP) & Sustainable Development Fund (SDF), UK

ENP & SDF are looking to recruit a highly motivated person to work within the ENP team to promote and coordinate the SDF. The successful candidate will be able to build local multi-stakeholder partnerships, have knowledge of sustainable development, other funding initiatives and project development. Salary: £22,689. Closing Date: 7 February. Visit www.exmoor-nationalpark.gov.uk.

Forthcoming Conferences and Courses (Feb to June inclusive)

SRI & CSR

The Guardian Business & Society CSR Conference, 6 February 2003, London. Visit www.societyguardian.co.uk/conferences.

Beyond SRI: Responsible Shareholding and Long-Term Fiduciary Duty, 10 February 2003, London and *Good Profits: Re-Building Trust in Corporations*, 11 February 2003, London. Visit www.riia.org.

RIIA Seminar: Liability & Accountability - A City View of CSR, 18 February 2003, London. Speakers include Rob Lake from Hendersons and Will Oulton from FTSE4Good. E-mail emily.jones@lovells.com.

PIRC Seminar: Shareholder Voting Guidelines 2003, 19 February 2003, London. Visit www.pirc.co.uk.

From Johannesburg to a Sustainable Development Strategy for the UK, 19 February 2003, London. Visit www.earthsummit2002.org.

IRRC Seminar: 2003 Proxy Review, 6 March 2003, London. Visit www.irrc.com.

Free LSE Seminar: Holding Corporations Accountable, 6 March 2003, London. E-mail events@lse.ac.uk.

Business in the Community Conference: Realising the Value of Responsible Business Practice, 12 March 2003, London. Visit www.bitc.org.uk.

CIMA Course: Corporate Governance & Risk Management – A Critical Business Need, 13-14 March 2003, London. Visit www.cimaMastercourses.com.

CERES 2003 Conference: Advancing Sustainable Governance, 1-2 April 2003, New York. Visit www.ceres.org.

CIMA Course: CSR – A Business Perspective, 8 April 2003, London. Visit www.cimaMastercourses.com.

Ethical Corporation European Conference, 10-11 April 2003, London. Visit www.ethicalcorp.com.

The 2003 Canadian Social Investment Conference, 1-3 June 2003, Vancouver, Canada. Visit www.socialinvestment.ca.

Community Development Finance

Share Issues for Social Enterprises, 25 March 2003, London. Visit www.londonrebuilding.com.

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