

**PRESS NOTICE: FOR IMMEDIATE RELEASE**



**UK Social Investment Forum**

**Christine Farnish to unveil the NAPF's latest thinking on SRI and shareholder activism at UKSIF's 2005 Annual Lecture**

Christine Farnish, Chief Executive of the National Association of Pension Funds (NAPF) will unveil the NAPF's latest thinking about socially responsible investment (SRI) and shareholder activism in relation to UK occupational pension funds, when she delivers the UK Social Investment Forum's (UKSIF) 2005 Annual Lecture, which will be held on the evening of 14 April in London.

In her speech, Christine is expected to address the NAPF's position on the HM Treasury's recent Review of Progress on the Myners Principles for Institutional Investment Decision-making, which proposed a number of revisions to the principles including Principle 6 (activism) to ensure that trustees comply with the Institutional Shareholder Committee's (ISC) statement of principles and ensure that the principles are incorporated into fund managers' mandates. The NAPF has agreed to undertake a review in 2007 of the progress of its members against the Myners principles and put the results to Government. In light of the NAPF evidence, the Government will assess whether there still remains a need for further policy action by the end of 2007.

Howard Pearce, Head of Environmental Finance and Pension Fund Management at the Environment Agency will respond to Christine Farnish's speech, as will Craig Mackenzie, Head of Investor Responsibility at Insight Investment. Insight Investment is generously sponsoring the Lecture and drinks reception. This high-profile event is expected to attract UKSIF members and other leaders in the field.

UKSIF's 2002-5 institutional programme, Just Pensions, has published its 2005 Responsible Investment Trustee Toolkit, which will be officially launched at the event. This toolkit, written by Cassandra Higgs (Just Pensions Project Manager) and Helen Wildsmith (UKSIF's Executive Director), aims to help pension scheme trustees understand more about SRI and how they might integrate SRI into their scheme's long-term investment strategy. The toolkit provides trustees with:

- best practice first steps for different types of pension scheme;
- potential next steps; and
- 'how to do it' guides on SRI, ranging from getting started and developing high level policy to fund manager selection/assessment and reporting.

Commenting on the Lecture and the Just Pensions trustee toolkit, Christine Farnish said: *"I am delighted to deliver UKSIF's 2005 Annual Lecture and discuss the NAPF's latest thinking on socially responsible investment and shareholder activism. On behalf of our pension fund members that are interested in the potential of SRI, I would also like to take this opportunity to express support for the Just Pensions 2005 Responsible Investment Trustee Toolkit. I am sure it will be an essential SRI resource for this important part of our membership"*.

Commenting on the Just Pensions toolkit, Craig Mackenzie, Head of Investor Responsibility at Insight Investment said: *"Insight Investment hopes that this toolkit will help trustees find out more about SRI and shareholder engagement and how they might integrate social, environmental, ethical and corporate governance issues into their scheme's long-term investment strategy. This is increasingly important for pension fund trustees in light of the HM Treasury's Review of Progress on the Myners Principles"*.

Just Pensions would like to thank Insight investment for additional funding for the production and printing of the toolkit.

-ENDS-

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### Notes to Editors

1. The UK Social Investment Forum (UKSIF) is the UK's membership network for socially responsible investment (SRI). UKSIF's primary purpose is to promote and encourage the development and positive impact of SRI amongst UK based investors. UKSIF believes that all material social, environmental and ethical (SEE) issues should be integrated into standard investment practice and that individual investors should be able to reflect their values in their investments. The Forum was launched in 1991 to bring together the different strands of SRI nationally and to act as a focus and a voice for the industry. UKSIF's 250+ members and affiliates include institutional and retail fund managers, pension funds, independent financial advisers and a wide range of other organisations. In addition to UKSIF's programmes and parliamentary work, the Forum prepares member newsletters and briefings, as well as co-coordinating a wide range of events, from small seminars to conferences on topics reflecting the full spectrum of interest in the SRI field. UKSIF also works to educate the public and Government about SRI. For further information about UKSIF, please visit [www.uksif.org](http://www.uksif.org).

2. The National Association of Pension Funds is the principal UK body representing the interests of the employer-sponsored pensions movement. Among its members are both large and small companies, local authority and public sector bodies. Together they provide pensions for over 10 million employees and 5 million people in retirement, and account for more than £600 billion of pension fund assets. For further information, please visit [www.napf.co.uk](http://www.napf.co.uk). Christine Farnish was appointed Chief Executive of the NAPF in 2002. Christine is Chairman of NAPF's joint venture corporate governance service with Institutional Shareholder Services (ISS) and a non-executive Director of the Office of Fair Trading. Prior to NAPF, she was a Director at the Financial Services Authority (FSA), responsible for consumer protection and consumer education and also a trustee of the FSA's pension scheme.

3. Just Pensions is a programme of the UK Social Investment Forum (UKSIF) - the UK's membership network for socially responsible investment (RI). Just Pensions aims to educate and influence UK pension fund trustees about the importance of integrating SRI into their investment strategy. 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. Just Pensions also provides a series of industry sector notes for trustees, SRI toolkits 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. For further information, see [www.justpensions.org](http://www.justpensions.org).

4. Just Pensions 2005 Responsible Investment Trustee Toolkit aims to help UK pension scheme trustees understand more about SRI and how they might integrate SRI into their scheme's long term investment strategy. The toolkit provides trustees with best practice first steps for different types of pension scheme and subsequent next steps, as well 'how to do it' guides on SRI, ranging from getting started and developing high level policy to fund manager selection/assessment and reporting. The toolkit also outlines the shareholder value case for SRI and provides a summary of recent regulatory and legislative developments, including the ISC statement of principles and the HM Treasury Review of Progress on the Myrers Principles. The toolkit also contains a self-assessment questionnaire to help trustees judge whether their scheme meets best practice on SRI and shareholder activism, as advocated by the Government and industry associations, such as the NAPF and the ABI. Just Pensions will disseminate the toolkit to pension fund trustees at a variety of events and conferences. Just Pensions will also work closely with a number of trustee networks through small roundtables, seminars and training events, encouraging trustees to use the toolkit to find out more about SRI and to help integrate SRI into their pension fund's investment strategy. A PDF version of the document can be found at [www.justpensions.org](http://www.justpensions.org).

5. The best practice first steps in the Just Pensions 2005 Responsible Investment Trustee Toolkit are summarised below:

- **DC schemes with members who have diverse values:** Trustees should ensure that the default fund is managed appropriately in terms of SRI issues and ensure that social, environmental, ethical and corporate governance (SEE/GC) risks and opportunities are taken into account in stock selection and/or shareholder activism by their fund managers and other service providers. Trustees should also consider offering a screened fund option for members.
- **DB schemes with members who have diverse values:** For passively managed mandates, trustees should follow the shareholder activism route to ensure that fund managers or service providers engage with investee companies on SEE/CG risks and opportunities and then integrate the information into voting strategy. For actively managed mandates, trustees should follow the integration and shareholder activism route to ensure that fund managers engage with investee companies on SEE/CG risks and opportunities and then integrate the information into stock selection and voting strategy.
- **DC schemes with members who have similar values:** Trustees should offer a range of funds, with different levels of investment risk, all of which reflect the employer's mission and employees' values.
- **DB schemes with members who have similar values:** Trustees should consider adding one or more specialist mandates that reflect the employees' values or employer's mission. Trustees should also ensure that the other funds are managed appropriately in terms of SRI issues and that SEE/CG risks and opportunities are being taken into account in stock selection and/or shareholder activism by their fund managers and other service providers.

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