



UK
Social
Investment
Forum

Review of Activities

1 July 2004 - 30 June 2005

UKSIF believes that all material social, environmental and ethical (SEE) factors should be an integral part of standard investment practice, and that individual investors should be able to reflect their values in their investments.

Chair and Chief Executive's Report

The UK Social Investment Forum's primary purpose is to promote and encourage the development and positive impact of Socially Responsible Investment (SRI) undertaken by UK investors. As well as providing the focal point for SRI in the UK, we undertake a number of high impact programmes and deliver information and networking services to our members.

Our four high impact programmes in 2004/5 were

- **Just Pensions** - for pension fund trustees
- **Retail Revolution** - for financial advisers
- **Pilot Charity Project** - for charity trustees
- **Collaborative Engagement** - secretariat support (completed in early 2005)

Highlights from July 2004 to June 2005 included:

- Launch by three of the high impact programmes of **responsible investment toolkits** - 2005 edition of Just Pensions 'Responsible Investment Trustee Toolkit', 'Investing Responsibly: A Practical Introduction for Charity Trustees' and 'Investing Responsibly: A Practical Toolkit for Financial Advisers'.
- Publication of **five sector notes** highlighting potentially material social, ethical and environmental risks for pension fund trustees
- High profile events including delivery of the **UKSIF Annual Lecture** by Christine Farnish, Chief Executive, National Association of Pension Funds in April 2005 and the November 2004 **Guildhall launch** of 'Investing Responsibly: A Practical Toolkit for Financial Advisers'.
- With our encouragement, the introduction of **SRI disclosure requirements for Child Trust Funds** and **inclusion of SRI in the new financial adviser exam syllabus**.

Following our 2004 member survey, we have created the new post of Member Secretary from September 2005 with a specific remit of delivering high value member services. In 2005/6, we also plan to:

- Complete our three year Just Pensions programme and develop a **new programme to advance responsible investment by pension funds and other institutional investors**.
- Improve financial advice on responsible investment, based on use of our toolkit, through the next phase of our **Retail Revolution** programme and develop further support enabling individuals wishing to invest in line with their values to achieve this aim.
- Continue to advance **Charity SRI**, working in partnership with the EIRiS Foundation.

In May 2005, Penny Shepherd returned to UKSIF as Chief Executive. We are very grateful to Helen Wildsmith, our Executive Director from early 2002 to mid 2005, and her team for the wide range of achievements during her tenure. They give a firm foundation for UKSIF and its members to continue to advance SRI.



Emma Howard Boyd
Chair



Penny Shepherd MBE
Chief Executive

Our History, Membership Fees and Budget

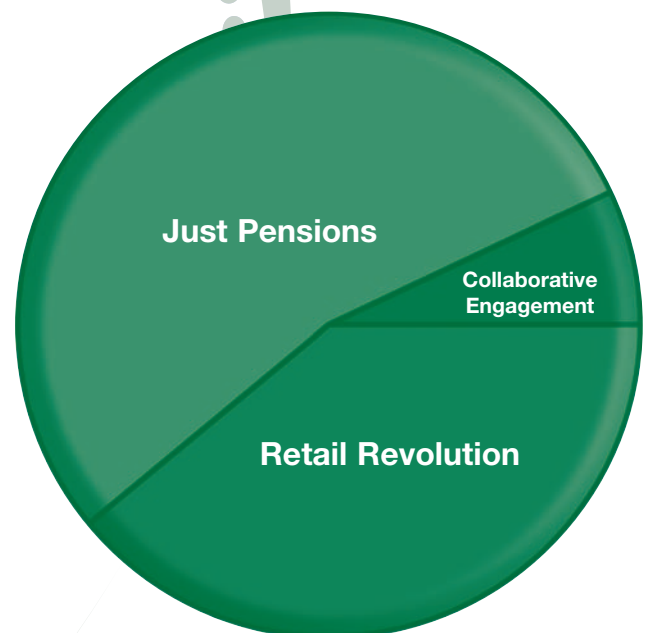
UKSIF celebrated its 10th anniversary in 2001 - our first decade included many achievements including: taking the lead in facilitating the introduction of legislation requiring pension funds to disclose their SRI policies; initiating and supporting the Social Investment Taskforce which made policy recommendations accepted by the Chancellor of the Exchequer; and persuading the Association of Unit Trust and Investment Funds to classify ethical funds as 'mainstream'.

From 2005, we aim to use our membership income to cover the costs of our core activities and member services with our programmes being fully funded by grants and sponsorship.

Membership Fees (from 1/7/2003)

Banks and Fund Managers	Assets >£1bn	£3000+vat
	Assets £0.1-1bn	£2000+vat
	Assets < £0.1bn	£500+vat
Other Finance / SRI Professionals	Staff >50	£1000+vat
	Staff 10-49	£500+vat
	Staff 2-9	£175+vat
	Sole traders	£75+vat
Other Organisations	Assets >£5m	£250+vat
	Staff >5	£75+vat
	Staff 1-4	£35+vat
Individuals		£35+vat

Our latest 2005 budget includes secured programme income of £135k, allocated as follows:



The EIRiS / UKSIF Charity Project is funded by the EIRiS Foundation and the costs of the programme appear in their accounts. Our 2004 accounts, which have been distributed to members and affiliates, are available from info@uksif.org.

At the end of June 2005 UKSIF members and affiliates included:

Banks and Building Societies

Barclays Plc
Co-operative Bank
Ecology Building Society
HSBC Holdings Plc
Lloyds TSB Group Plc ^(A)
NatWest
Triodos Bank
Unity Trust Bank

Investment Management Institutions

Aberdeen Asset Management
AEGON Asset Management
Baillie Gifford & Co ^(A)
Barclays Global Investors Limited
Cazenove Capital Management Ltd
CCLA Investment Management Ltd
Charities Aid Foundation
Co-operative Insurance Society ^(Pr)
Ecclesiastical Insurance Group
Epworth Investment Management
F&C Asset Management plc ^(Pr)
Fidelity Investments ^(A)
Friends Provident Life and Pensions Ltd
Generation Investment Management LLP
Gerrard
Henderson Global Investors ^(Pr)
Hermes Investment Management Ltd ^(A)
Impax Group
Insight Investment ^(Pr)
Jupiter Asset Management ^(Pr)
Legal & General Investment Management
Marwyn Investment Management Limited
Morley Fund Management ^(Pr)
QUADRIS Environmental Investments Ltd
Rathbone Greenbank Investments
RCM (UK) Ltd
Rockefeller & Co
Schroder Investment Management (UK) ^(Pr)
SG Asset Management
Skandia Group
Standard Life Investments
Threadneedle Investments
Universities Superannuation Scheme ^(Pr)

Independent Financial Advisers

Barchester Green Investment
BBNFS Ethical
David Vincent
Ethical Investment Co-operative Ltd
Ethical Investors Group
Ethikos Independent Financial Advisers
GÆIA Partnership Ltd
Helm Godfrey
Holden and Partners
Investing Ethically
John Scott & Partners
(inc Holden Meehan)
Kingswood Consultants
Lifestyle Financial Services Ltd
Social Investment Advisers Ltd
Southgate Financial Services Ltd
Towers of Taunton (Financial Services) Ltd

Professional Advisory Firms and Research Providers

Andlug Consulting
Andy Mullineux (Dr)
Association of British Insurers ^(A)
Bates Wells & Braithwaite
Centre for Social and Environmental
Accounting Research
Centre Info SA - Sustainable
Investment Consulting
Citigroup Smith Barney
Claros
CoreRatings (member of DNV Group)
CSR Consulting Ltd ^(A)
Cushman & Wakefield, Healey & Baker
Dresdner Kleinwort Wasserstein
Epic Investment Consulting Ltd
Ethical Investment Research
Service (EIRiS)
Ethical Screening
Ethics Etc...
Forestry Investment Management
FTSE International Ltd ^(A)
Goldman Sachs (sell-side)
Innovest Group
Institutional Shareholder Services ^(A)
Investor Responsibility Research Center
Jon Ralls
Kaleidoscope Policy and Research
Kinder, Lydenberg, Domini & Co., Inc.
Mercer Investment Consulting ^(A)
Morgan Stanley (sell-side)
Next Step Consulting
oekom research AG
P3 Capital Limited
PIRC Ltd
PricewaterhouseCoopers ^(A)
Roger Benson
Roger Morton
SAM Indexes GmbH
Sancroft
SERM Rating Agency
SustainAbility
Synaptic Systems Ltd
Trucost
UBS (sell-side)
Upstream
Watson Wyatt LLP ^(A)
WestLB
Wrigleys

(A) = Affiliate

Affiliate status is available to organisations wishing to use UKSIF services without supporting all of our aims.

(Pr) = Premium Members

UKSIF is extremely grateful to our 2004/5 Premium Members who supported our collaborative engagement programme, and provided additional input and guidance to the Just Pensions team and advisory board on projects relating to engagement.

Other Organisations

AMICUS
Amnesty International
Angier Griffin
Arena Housing Association
ASrIA (Ass. for Sustainable & Responsible
Investment in Asia)
Aston Reinvestment Trust
Big Invest Company Ltd
Birmingham Credit Union
Development Agency
Business in the Community (BITC)
Campaign Against the Arms Trade
Centre for Tomorrow's Company
Charity Logistics
Charles Scanlan ^(A)
Christian Ethical Investment Group (CEIG)
Clear Profit
Co-op America and US Social
Investment Forum
CO3
Community Development Finance
Association (CDFA)
Community Enterprise Limited
Environment Agency Pension Fund
Ethical Consumer Magazine
Ethical Investment Association (UK)
Ethical Investment Association (Australia)
Ethical Performance
Ethical Property Company plc
Eurosif (European Social
Investment Forum)
Forum for the Future
Halal Fund
Highland Opportunity Ltd
Industrial & Research Ethical
Guarantee Ltd ^(A)
J Sainsbury plc (Pension Fund)
Joseph Rowntree Charitable Trust
Kingston Real Estate Research Group
Local Investment Fund (LIF)
Medical Mission Sisters
National Council for Voluntary
Organisations (NCVO)
New Economics Foundation
Nottinghamshire County Council
Polden-Puckham Charitable Foundation
Prairie Trust
Railpen Investments ^(A)
Ruston WHEB
Shared Interest
Social Enterprise London (SEL)
Social Investment Organization (Canada)
Somerset Trust For
Sustainable Development
Traidcraft Exchange
Ulster Community Investment Trust
UNICEF - Private Sector Division
WEETU
WWF-UK

Some of our 2004/5 Parliamentary & Other Events

2004 All-Member Summer Event & Drinks Reception: Retail Revolution Update & Thomson Extel Award Ceremony

Speakers included: Mark Campanale, Henderson Global Investors; Tony Colman MP; Nicola Day, Gerrard; Julia Dreblow, Friends Provident; Helen Harrison, UKSIF; and Robin Keyte, Towers of Taunton. The drinks reception was sponsored by Gerrard.
1 July 2004

Potentially Material Social, Ethical & Environmental Risks: Food Sector

Speakers included: Mandy Cormack and Helen Lowe, Unilever; Hilary Parsons, Nestle and Roland Vaxelaire, Carrefour. Hosted by HSBC.
8 July 2004

Just Pensions Presentation to the All-Party Parliamentary Groups on SRI and CSR

On behalf of Just Pensions, session sponsors Insight Investment, and their parent company HBOS, presented on the importance of aligning a corporate's CSR policies with its pension fund's SRI policies.
8 July 2004

Tobacco Sector Roundtable

To agree the content of the UKSIF/Just Pensions sector note for trustees. Hosted by Schroder Investment Management.
28 July 2004

Working Group Meeting: Finalising the Pilot Version of the Eurosif Transparency Guidelines for Engagement & Voting

Hosted by Henderson Global Investors.
8 September 2004

Just Pensions TUC Fringe Event for Member Nominated Trustees

Speakers: Rachel Crossley, Insight Investment; Mark Goyder, The Centre for Tomorrow's Company; Alan MacDougall, PIRC and Tom Powdrill, TUC. Sponsored by Insight Investment.
14 September 2004

2004 AGM, Programme Workshops & Drinks Reception

The workshops covered UKSIF's Collaborative Engagement, Just Pensions, and Retail Revolution programmes. The drinks reception was sponsored by Rathbone Greenbank Investments.
15 September 2004

General Retail Sector Roundtable

To agree the content of the UKSIF/Just Pensions sector note for trustees. Hosted by Universities Superannuation Scheme.
27 September 2004

Dutch EU Presidency Conference on CSR and Public Policy

Helen Wildsmith presented at the launch of the Pilot Version of the Eurosif Transparency Guidelines for Engagement & Voting at this pan-European event in Maastricht.
8 November 2004

General Retail Sector Company Roundtables: Next

Hosted by Hermes Investment Management.
18 November 2004

Guildhall Launch of the Retail Revolution's Toolkit for Financial Advisers

Speakers included: Julia Dreblow, Friends Provident and Chair of the Retail Revolution Sub-Committee; and Amanda Davidson, John Scott and Partners (inc Holden Meehan). The toolkit launch was endorsed by the Association of IFAs and supported by the Corporation of London. Friends Provident sponsored the drinks reception.
23 November 2004

Construction Sector Roundtable

To agree the content of the UKSIF/Just Pensions sector note for trustees. Hosted by Jupiter Asset Management.
26 November 2004

SRI Investors and the World Bank: Perspectives on Sustainable Finance

Speakers included: Ronnie Lim, Morley Fund Management; Nick Robins, Henderson Global Investors; and Heike Reichelt, Judith Moore, and Dan Siddy, World Bank (IBRD and IFC).
1 December 2004

Board Away Day

Hosted by the London Stock Exchange.
2 December 2004

Tobacco Sector Company Roundtable: Gallaher

Hosted by DrKW.
3 December 2004

UK 2005 Piloters Planning Meeting: Eurosif Transparency Guidelines for Engagement & Voting

Hosted by Insight Investment.
14 December 2004

General Retail Sector Company Roundtables: Dixons Group

Hosted by HSBC.
20 January 2005

Scottish Fund Manager Member & Affiliate Lunch

Hosted by AEGON Asset Management.
21 January 2005

General Retail Sector Company Roundtables: Marks & Spencer

Hosted by HSBC.
26 January 2005

Pharma Sector Initiatives Update

Speakers: Ben Yeoh, ABN AMRO; Sophia Tickell, Pharma Futures; and Jo Allen Pharmaceutical Shareowners Group. Hosted by ABN AMRO
3 February 2005

Extractives Sector Roundtable

To agree the content of the UKSIF/Just Pensions sector note for trustees. Hosted by Cazenove Capital Management.
3 March 2005

Potentially Material Social, Ethical & Environmental Risks: Construction & Building Materials Sector

Speakers: John Messenger, Morgan Stanley; Ian Goldsmith, Travis Perkins; Paul Turrell, Taylor Woodrow; and Mike Watkins, Aggregate Industries. Hosted by Morgan Stanley.
4 March 2005

UK Signatories Meeting: Eurosif Transparency Guidelines for SRI Retail Funds

Facilitated by Matt Christensen, Eurosif. Hosted by Insight Investment.
7 April 2005

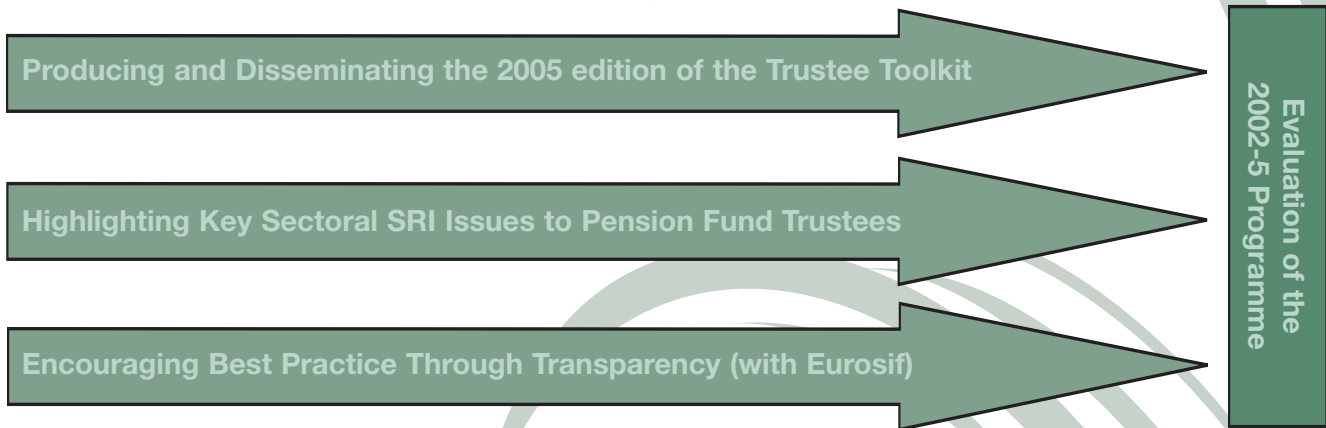
2005 Annual Lecture and Launch of the 2005 Edition of the Just Pensions Trustee Toolkit

The Annual Lecture was delivered by Christine Farnish, Chief Executive, the National Association of Pension Funds. The drinks reception was sponsored by Insight Investment.
14 April 2005



Just Pensions: 2004/5 Activities

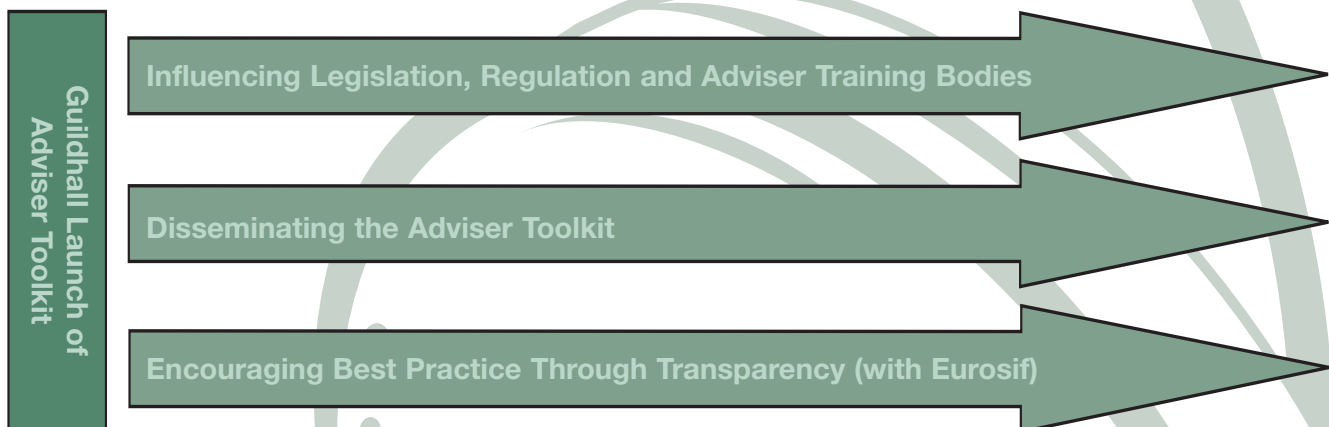
UKSIF's Just Pensions programme (2002-5) aims to educate and influence UK pension funds and other institutional investors about the importance of international development in their practice of SRI.



Core 2002-5 funding from: **DFID**

Retail Revolution: 2004/5 Activities

UKSIF's Retail Revolution programme (2003-6) aims to radically expand the retail ethical and socially responsible investment market in the UK.



Core 2003-6 funding from:



Other 2004/5 Activities

Between July 2004 and June 2005 UKSIF was also involved in the following projects and initiatives:

- Increasing the influence and membership of the Institutional Investors Group on Climate Change and completing the successful engagement cycle of the Pharmaceutical Shareowners Group through our **Collaborative Engagement** programme
- Setting up and chairing the **Charity Advisory Group** for the EIRIS Foundation funded **Charity Project**
- Continuing our support of **Eurosif**, the European Social Investment Forum, through our active board role and programme work in support of their suite of Transparency Guidelines
- Continuing our partnership with **Thomson Extel** to highlight the work of brokers whose work is rated highly by the SRI Fund Management community
- Partnering with the City of London to highlight innovation and newcomers within the SRI industry through the **Liveable City Awards**
- Continuing our role of adviser to **FairShare** - a new charity set up to empower individual members of occupational pension schemes
- Providing 'opinion pieces' and other ideas for the initial editions of **Engaged Investor**
- Facilitating investor feedback on the HSE's **Corporate Health & Safety Performance Index (CHaSPI)**
- Providing the secretariat for the **All-Party Parliamentary Group on SRI**

Board of Directors

Emma Howard Boyd (Chair)

Steve Waygood (Vice Chair)

Clare Brook (Vice Chair)

Philip Angier

Tauni Brooker (to Nov 04)

Mark Campanale (to Oct 04)

Lee Coates

Julia Dreblow

Katie Gordon (from Dec 04)

Rob Lake

Olivia Lankester (from Dec 04)

Charles Middleton

Andrew Preston (to Oct 04)

Rod Schwartz

Russell Sparkes (to Oct 04)

Peter Webster (Treasurer)

Jupiter Asset Management

Insight Investment

Morley Fund Management

Angier Griffin Ltd

ORM2

Henderson Global Investors

Ethical Investors Group

Friends Provident

Cazenove Capital Management

Henderson Global Investors

F&C Asset Management

Triodos Bank

Aberdeen Asset Management

Catalyst Fund Management and

Research Ltd

Epworth Investment Management

Ethical Investment Research Service

Board members serve in a personal capacity.

Organisational affiliations are given for information only.

Officers and Staff

Penny Shepherd MBE

Helen Barnes

Cassandra Higgs

Stuart Jones

Adam Ognall

Malcolm Lynch

Chief Executive (from May 05)

Retail Investment Project Manager

Just Pensions Project Manager

Administrator

Member Secretary (from Sept 05)

Company Secretary

Meg Brown

Helen Harrison

Helen Wildsmith

Sector Analyst (resigned Feb 05)

Retail Officer (resigned Sept 04)

Executive Director (resigned Sept 04)

The staff team would like to thank the people who have worked with us on a consultancy or freelance basis over this period, and our Board members, in particularly our Executive Committee members (Emma, Steve, Clare and Peter) and our Programme Chairs (Philip and Julia), for their time and commitment to UKSIF.

Patrons

Michael Brophy

Sir Adrian Cadbury

The Rt. Revd. Richard Harries

Hazel Henderson

Charles Jacob MBE

Lord Joffe

Jonathon Porritt CBE

Diana Schumacher

Joan Shapiro

Professor Muhammad Yunus

The UK Social Investment Forum is grateful for general funding which supported the 2002-5 phase of our development from:

NatWest/RBS Group

We would also like to thank all those who sponsored or hosted UKSIF events in 2004/5.

Membership of UKSIF is open to organisations and individuals with a commitment to socially responsible investment. For further information please visit our website or contact us on 020 7405 0040 or info@uksif.org

Disclaimer:

This publication should not be taken as financial advice or seen as an endorsement of any particular company or individual.

www.uksif.org