



PRESS RELEASE
Embargoed until 00.01hrs
Tuesday 5 August 2003



Collaborative investor engagement enters new era

Eight institutional investors, representing over £454bn in funds under management, are co-funding a pilot programme to deepen and learn from collaborative approaches to active share-ownership focused on material social and environmental risks.



Investors are increasingly taking a collaborative approach to communicating with companies to discuss their shared concerns or highlight a collective position on investment risk issues – such as the ‘Investor statement on pharmaceutical companies and the public health crisis in emerging markets’¹.

The eight investors², with a strong commitment to leadership on engagement on corporate responsibility, – *Co-operative Insurance Society, Henderson Global Investors, Insight Investment, ISIS Asset Management, Jupiter Asset Management, Morley Fund Management, Schroder Investment Management and Universities Superannuation Scheme* - have combined forces to enhance their ability to fulfil their fiduciary and client responsibilities to corporate engagement and active shareholding.



The collaborative engagement programme will provide key input to forthcoming Just Pensions³ research to identify industry best practice for engagement with companies on social and environmental issues, and deliver a secretariat and review function for two collaborative initiatives - the Institutional Investors Group on Climate Change⁴ and the Pharmaceutical Shareowners Group⁵. Support to these initiatives will be provided by a new collaborative engagement post⁶ at the UK Social Investment Forum (UKSIF)⁷ which is funded by the eight.



The programme illustrates how investors can constructively respond to some of the challenges to the industry posed by Myners, the Institutional Shareholders Committee, DWP and others⁸.



Commenting on the new programme, Helen Wildsmith, Executive Director of UKSIF said “*The commitment from pension funds and fund managers to create this exciting new programme will enable collaborative engagement to move into a new era. It shows that investor interest in the material social and environmental risks that companies face is increasingly mainstream. If the pilot is a success, we hope that the initiative will be expanded and industry best practice spread more widely*”.

Sir Graeme Davies, Chairman of the Universities Superannuation Scheme (USS) Ltd said “*USS believes that without collaboration, pension funds and fund managers cannot fulfill our fiduciary duty to assess and manage long term risks to our investments. When we combine our expertise and shareholdings with other institutional investors, we are better able to understand emerging social, environmental and governance risks and take a more strategic approach to our engagement with companies*”.

“*USS is delighted to play its part in this effort and I would call on other fund managers, and their pension fund clients, to work together and join us so we can better address the material extra-financial risks facing our investments*”.



Editors Notes

¹ See point 7 on the Pharmaceutical Shareowners Group.

² **Contacts details for the eight funders**

Co-operative Insurance Society - Jo Allen, +44 (0)161 837 4546

Henderson Global Investors – Nick Robins, +44 (0)20 7818 4356

Insight Investment - Rachel Crossley, +44 (0)20 7321 1262

ISIS Asset Management – Robert Barrington, +44 (0)20 7506 1216

Jupiter Asset Management - Emma Howard Boyd, +44 (0)20 7314 4769

Morley Fund Management - Melissa Gamble, +44 (0)20 7809 6211

Schroder Investment Management - Sue Livingston, +44 (0)20 76586950

Universities Superannuation Scheme - Raj Thamotheram, +44 (0)20 7972 6397

³ **Just Pensions (JP)** aims to educate and influence UK pension funds and other institutional investors about the importance of international development issues in their practice of SRI. The overall purpose of JP is to contribute to the Millennium development goals by improving the social and environmental impact of foreign trade and investment in developing countries. JP was initiated by Traidcraft and WaronWant and is now part of the UK Social Investment Forum.

⁴ The **Institutional Investors Group on Climate Change (IIGCC)** is a forum for collaboration between pension funds and other institutional investors on issues related to climate change. IIGCC seeks to promote better understanding of the implications of climate change amongst members and other institutional investors and encourage companies and markets, in which IIGCC members invest, to address the material risks and opportunities to their businesses associated with climate change and a shift to a lower carbon economy. A list of IIGCC's members and its work programmes can be found at www.iigcc.org.

⁵ The **Pharmaceutical Shareowners Group** is a collaboration of 12 global financial institutions representing over £600bn in funds under management. In March 2003, the group issued a statement on pharmaceutical companies and the public health crisis in emerging markets. The statement outlines concerns about the long-term impact of the crisis and argues for pharmaceutical companies to take proactive action, in partnership with governments, to enhance access to urgently needed medicines in these countries. For a copy of the statement and a list of PSG members see www.pharmaproject.org.

⁶ Helen Barnes, Collaborative Engagement Officer, UK Social Investment Forum helen.barnes@uksif.org Tel +44 (0)20 7440 9718.

⁷ 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 issues should be integrated into standard investment practice and that individual investors should be able to reflect their values in their investments. UKSIF's 250+ members and affiliates include retail and institutional fund managers, financial advisers, SRI research providers, consultants, trade unions, banks, building societies, community development finance institutions, NGOs and individuals interested in SRI. In addition to programmes and parliamentary work, UKSIF prepares newsletters, briefings, and co-coordinates a wide range of events, from small seminars to conferences on topics reflecting the full spectrum of interest in SRI. For further information contact - Helen Wildsmith, Executive Director, +44 (0)20 7405 0040 and see www.uksif.org.

⁸ See Myners Review of Institutional Investment; DWP Consultation Paper Encouraging Shareholder Activism; Institutional Shareholders Committee's The Responsibilities of Institutional Shareholders and Agents Statement of Principles; and Forum for the Future publication by R Cowe and J Porritt Government's Business: Enabling corporate sustainability which states "The most persuasive pressure from investors will come from collective action".