



## **Eurosif**

Press Release: Thursday April 16, 2009

### **Eurosif calls on European Institutions to consider greater transparency from companies and institutional investors on Environmental, Social and Governance (ESG) issues.**

**Paris, 16 April 2009 — Eurosif**, the European Sustainable Investment Forum, has addressed today to the European Institutions a public policy position paper related to Sustainable and Responsible Investment (SRI). The paper makes the case for greater transparency and accountability from large companies and institutional investors on Environmental, Social and Governance (ESG) issues.

In the position paper, Eurosif recommends that the European Commission adopt three proposals to increase transparency from various actors in the financial value chain in order to foster a longer-term, sustainable economy within the EU:

#### 1. Transparency from Companies

European institutions should mandate disclosure of ESG data by publicly traded, large corporations. Such reporting would be principles-based and use a limited number of standardised Key Performance Indicators (KPIs), some of them being sector specific.

#### 2. Transparency from Institutional Investors

European institutions should introduce a mandatory Statement of Investment Principles ("SIPs") for Investment Funds in which trustees would state the extent (if at all) to which ESG considerations are taken into account in the selection, retention and realisation of investments; and their policy in relation to the exercise of the rights (including voting rights) attached to investments.

#### 3. Shareholders Rights and Transparency

The Commission should adopt measures to allow shareholders to keep control of their rights at all times, improve accountability of service providers within the proxy voting chain, and allow issuers to know who their shareholders are at any moment so that they can communicate to them efficiently.

Matt Christensen, Executive Director of Eurosif says:

"The current global financial crisis is a wake-up call for European policy makers to address long simmering issues around transparency in capital markets. This is an historic opportunity to adopt policies that encourage longer-term performance and discourage short-term bubbles. Eurosif would like the European Institutions to consider enhanced regulations that encourage all participants in the European capital markets to focus greater attention towards long-term financial performance. Within this framework, ESG issues have a critical role to play in developing a greater understanding of overall risks and opportunities that companies and investors face."

Eurosif and its Member Affiliates will have the opportunity to discuss these proposals with the European Commission in the coming months. The first such event will be held at the European Parliament roundtable on "Sustainability Disclosure" co-organised with FEE (Federation of European Accountants) and to be held in Brussels on April 29, 2009.

Prof. Dr. Harry Hummels, Director at SNS Asset Management and a member of Eurosif's Lobbying Advisory Group, states:

"Without information about the materially relevant environmental, social and governance information, no institutional investor can take full responsibility for knowing and managing all risks involved in the management of its investments. We therefore whole-heartedly support Eurosif's plea for greater transparency and the use of shareholders rights. Moreover, the binding force that results from Eurosif's initiatives is both laudable and necessary to help companies and investors contribute to a more sustainable and responsible economy."

**A copy of the position paper can be found at:**

[http://www.eurosif.org/press\\_events/eurosif\\_press\\_releases](http://www.eurosif.org/press_events/eurosif_press_releases)

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## **Notes to Editors**

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**EUROSIF**, the European Sustainable Investment Forum, is the pan-European network whose mission is to **address sustainability through the financial markets**. Eurosif works as a partnership of the national Social Investment Forums (SIFs) within the EU and with the support and involvement of Member Affiliates. Recognised as the premier European forum for sustainable investment, Eurosif's Member Affiliates are drawn from leading pension funds, asset managers, NGO's, trade unions, academic institutes and research providers, together representing assets totalling over €1 trillion. The key benefits that Eurosif affiliate members receive include ground-breaking research, EU interfacing, and European-wide initiatives that integrate ESG issues into the financial services sector. For more information, visit [www.eurosif.org](http://www.eurosif.org)