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1. Eurosif Update

Institutional SRI study: The study, which took three months to complete, shows how Europe's SRI market is growing in different ways. There are signs indicating that SRI practices are entering the field of mainstream financial analysis, while pension funds and charities are still leading the stride. Each country has its specificities and history but as the market grows, practices and products tend to converge. The complete report will be available mid-october through Eurosif or your local SIF.

Transparency Guidelines: We're happy to report that Fund Managers piloting the guidelines include:

- In the United Kingdom: Hendersons, Insight, ISIS, Jupiter, Morley, Standard Life
- In German-speaking countries: Bank Sarasin & Co Ltd, Kepler-Fonds KAG, SEB Invest
- In Italy: Banca Etica
- In the Netherlands: ABN AMRO Duurzame Wereld Fonds, ASN Bank Beleggingsfondsen, Henderson Horizon Global Sustainable Investments Fund, ING Bank Duurzaam Rendement Fonds, Orange SeNSE Fund, Postbank Duurzame Aandelenfonds, Robeco Duurzaam Aandelenfonds, SNS Duurzaam Aandelenfonds, Triodos Meerwaardefondsen

The guidelines were presented to the Multi-stakeholder Forum at the European Commission on September 23rd. They were received with a wide range of endorsement as being an excellent illustration of the SRI community voluntarily improving and raising its credibility. Piloters will have a chance to convene and discuss their experience with the guidelines on December 19th in Rome. This date coincides with the Eurosif Advisory Council Meeting and takes place the day after a Eurosif Conference being hosted by the Italian SIF. More details on this to follow shortly.

Events: Eurosif was represented by Matt Christensen at the International Congress conference on "*Sustainable Management in Action*" (September 4-6), held at the University of Geneva. Mr Christensen participated in a workshop on Financial Funds and Sustainability, moderated by Steve Honsberger of Lombard Odier Darier Hentsch, Geneva. The discussion focused on explaining the role for SRI on the Swiss market. The conference results will be disseminated to many key players on the Swiss market, including pension fund managers, asset managers, academics and NGOs.

2. EU Update

Transparency Directive: On September 25, Matt Christensen visited the European Parliament. He met up with a Minister regarding the upcoming *Transparency Directive*. Matt

discussed SRI and potential ways that the Directive could incorporate the need for disclosure of social and environmental criteria. More to follow.

Multi-stakeholder forum:

It was pointed out in the August issue of the Eurosif newsletter that the Multi-stakeholder forum will take a new dimension this year as the EC takes a stronger facilitation role and the next six months will be focused on drafting some common items around CSR.

Matt Christensen took part in the 22-23 September EU Roundtable 'Diversity, Convergence and Transparency of CSR instruments and practices'. In association with Adeline Hinderer from CSR Europe, he presented an overview of the SRI market today, both on the retail and institutional sides.

The next round table Round Table "Development Aspects of CSR" will take place on 29-30 September 2003.

Please see the links for additional information about the Forum on the Europa website: [Forum update](#)

EU creates Responsible SME good practice database

This directory of SME good practice cases on Responsible Entrepreneurship is available on-line. Currently, the database contains 25 cases which will also be published as a brochure (in 14 languages). An additional 18 cases identified by the expert group will also become available on-line shortly.

Click here to [access the directory](#) (On the Europa website)

EU publishes results on consultation pertaining to "Basic orientations for the sustainability of European tourism".

The European commission has published discussion documents as well as results relating to its consultation on the prospects for sustainable tourism in the EU. This initiative aims to promote further progress towards the sustainability of tourism in Europe and globally. Its objective is to stimulate multi-stakeholder efforts to this end, which span across all territorial and administrative levels, and to outline how the Community and the other stakeholders can further contribute to them. Its result will be a Commission Communication on '*Basic orientations for the sustainability of European tourism*', scheduled for adoption in November 2003, to the Council, the European Parliament, the European Economic and Social Committee, and the Committee of the Regions.

Further details are available on the Europa website at:

europa.eu.int/comm/enterprise/services/tourism/consultation/index.htm

EU awards funding under its LIFE-Environment and LIFE-Third Countries scheme

The European Commission has awarded €69 million of funding to 104 environmental innovation projects defined within the LIFE-Environment scheme. These projects represent a total investment of around €216 million to which LIFE-Environment will provide €69 million. Further, the European Commission has approved 17 environment projects as recipients of funding under the LIFE-Third Countries programme 2003. These new projects, which were selected from 70 proposals, will share a total of €6,567,232. The general objective of LIFE is to contribute to the development and implementation of EU environmental policy through the financing of specific actions.

More detailed information is available at:

europa.eu.int/comm/environment/life/project/index.htm

3. News from Eurosif members

ESADE to collaborate with Harvard on research

ESADE and Harvard will collaborate on research concerning corporate social enterprise initiatives. ESADE is to receive \$200,000 over two years to invest in this research funded by SEKN (Social Enterprise Knowledge Network). ESADE's incorporation in SEKN is expected to boost its research activities on social responsibility in Spain. Parallel with its research activities, the school will be extending its undergraduate and MBA courses in the area, thereby furthering its commitment to the training of social leaders.

Find out more at: <http://www.esade.edu/home.php>

EIRIS publishes study on female under-representation in corporate boards

EIRIS has made available its research findings on the presence of women directors in European companies, which is found to be less than 6%. Further, 53.6% European companies have no women represented on their Board while only a small 16.7% of companies have more than one female Board member. The research argues overwhelmingly in favour of the persistence of the corporate glass ceiling and warns companies of the benefits lost in limiting the diversity of their board members.

Full Report available from EIRIS www.eiris.org

Universiteit Nyenrode organises Seminar for Dutch Pension Fund

Together with Universiteit Maastricht, the Ministry of Economic Affairs and the Netherlands' two biggest Pension Funds, ABP and PGGM, Universiteit Nyenrode is gathering practitioners from the Dutch Pension Funds market on December 10 to discuss the link between SRI and long term investment strategies.

Please visit www.nyenrode.nl for further information

Ethos Foundation reiterates commitment to expanding access to pharmaceuticals

Ethos Foundation, which is a member of the Pharmaceutical Shareowners Group (PSG) (a group of European investors exerting pressure on pharmaceutical companies to facilitate access to medicines in developing countries), participated in a PSG-organised multi-stakeholder forum in London on 11 September 2003. The forum assembled representatives of the largest European pharmaceutical companies, the financial community (asset managers, institutional investors) and representatives of the British Department for International Development (DFID). Discussion centred around the limits to corporate philanthropy in the pharmaceutical sector in terms of investor demands for returns on their investment and the cost of drugs for the customer in general; consideration of the potential for growth in developing country markets; and the convergent interests of long-term investors and the need for pharmaceutical companies to evolve long-term strategies for the development of new drugs. The entire outcome of this ongoing dialogue is expected to be available in the spring of 2004. For further information, visit PSG's website: www.pharmaproject.org

FEE publishes report on corporate governance and the auditing process

FEE has published a discussion paper '*Financial Reporting and Auditing Aspects of Corporate Governance*'. In particular, the report focuses on the appropriate level of contact between the company and the auditor with a view to maintaining independence of the audit undertaken.

For further information see [Press Release](#) [PDF, 148kb, on FEE website]

The complete discussion paper is available on: www.fee.be/publications/main.htm

FTSE announces semi-annual review results

The FTSE announced the results of its semi-annual FTSE 4Good Index review which assessed companies using more stringent environmental and human rights criteria than those employed before. Seventy-two new companies were included in the index based on changes made to their internal sustainability practices, including Deutsche Post of Germany and Sanofi-Synthelabo of France. Among the twenty-five companies deleted from the index for having failed to meet the new standards required by the 4Good Index are Carphone Warehouse Group and Four Seasons Hotels.

Henderson Investors releases quarterly review of SRI engagement

Henderson has published its quarterly SRI review which includes an assessment of investment opportunities within the orthopaedics sector, an investigation of the US "responsibility deficit" and a review of engagement undertaken with fifty-six companies during the second quarter of 2003 with a view to examining investment potential as well as sustainability issues.

Click to [download the full report](#) [PDF, 312kb on www.henderson.com/sri]

Innovest to train UBS bankers on environmental issues

UBS has enlisted Innovest Strategic Value Advisors to provide its investment bankers with a course in the environmental risks facing large companies. Innovest believes this trend is part of a growing recognition that environmental issues can cost companies money or create value.

For further information visit www.innovestgroup.com

Insight calls for extractives to demonstrate greater commitment to protecting biodiversity

Insight believes that extractive companies that do not manage biodiversity effectively are exposed to business risks: liabilities, damage to reputation, increased costs, as well as difficulties accessing land. Research by Insight suggests 15% of extractive companies make no reference to biodiversity in their public documents and 30% only passing reference. An ability to demonstrate policy commitments to biodiversity - and the management tools to implement them - is key to ensuring long-term access to new sites and licence to operate in existing locations. For further information about the 'Insight Biodiversity and Extractives Programme' email Kerry tenKate at Kerry.tenKate@insightinvestment.com

Insight Investment publishes summer bulletin

Insight Investment has published its summer bulletin reviewing its investment holdings and engagement activity with companies invested in. As at June 30, 2003 Insight held shares in 83% of all companies in the UK FTSE All Share Index. Insight engaged with 94 of these companies during the second quarter of 2003, representing 20.7% of its holdings by number and 76% by market value.

Click to [download the full report](#) [PDF, 312kb on www.insightinvestment.com]

ISIS finalises the integration of reo and other tracker funds

ISIS Asset Management has finalised the integration of its three UK tracker funds. Formerly managed by State Street, the Friends Provident UK index tracker and the ISIS reo UK tracker will now be managed in-house, following a merger with the ISIS All Share tracker. From 1st July this has created a 400m fund, with an annual management charge of 0.3%. ISIS has also published its latest reo Report updating investors on its engagement activities and features its work on payments transparency in the extractives sector.

For more information see www.isisam.com

SAM and HSBC launch joint fixed income funds

SAM and HSBC announced the launch of fixed income and balanced sustainable funds, focussing on the German and Austrian market to sell public and segregated funds to institutional investors, thus offering investors the opportunity to invest in sustainable bonds and balanced mandates.

Click to [download the Press Release](#) [PDF, 60kb on www.sam-group.com]

Dow Jones Sustainability Indexes (DJSI) publish annual review of stocks selected

Following its annual review, DJSI has adjusted its sustainability indexes with the inclusion of companies deemed to show robust sustainability performance and the deletion of companies that are thought to lag in SRI practices. Daimler Chrysler and Telecom Italia were among the European companies deleted while inclusions include T-Online and BAE Systems.

Download a [detailed Press Release](#) (with data; PDF, 52kb) from www.sustainability-index.com/

4. News from SIFs

VBDO (Dutch SIF)

Recent research conducted at the VBDO aims has centred on the verifiability of sustainable credit loan activities by banks. Questions considered included: (1) How is it possible to report transparently on credit loan activities?; and 2) Should banks report on their credit loan activities in conformity with GRI guidelines, would this offer enough reliable insight on the bank's credit loan processes?.

Full report in Dutch and executive summary in English available from VBDO (info@vbdo.nl). The VBDO Guidelines for Transparency of Social Responsible Investment Funds (2002 pilot version) have been subscribed to by 10 SRI Retail funds since January 1, 2002, indicating that these funds have committed themselves to annual reporting on the composition of their portfolio and details of holdings added to or deleted from their portfolio in the preceding year. The Dutch Consumer Agency has tested the quality of reporting by these funds as well as the relevance of the VBDO Transparency Guidelines in practice. The VBDO concludes that the quality of all the reports was more than satisfactory. The new version of the Guidelines is expected to be published in coming months. For more information about the guidelines or the test report contact: info@vbdo.nl

UKSIF

UKSIF Launches Retail Revolution, a programme that will focus on three areas: parliamentary and regulatory work; establishing advisory guidelines for SRI; and consumer education and awareness raising. Also, UKSIF's pilot Collaborative Engagement Programme will provide key input to forthcoming Just Pensions research to identify industry best practice for engagement with companies on social and environmental issues, and deliver a secretariat and review function for collaborative initiatives.

FIR (French SIF)

The SIF has recently elected a new board and executive committee which includes Thierry Deheuvels from AGF Asset Management, Martine Leonard from CIC Asset Management and Thierry Wiedemann-Goiran from Macif Gestion. Priorities for the next year include increasing visibility in the French market; reinforcing ties with the different national SIFs; develop the membership in order to represent most of the French SRI community and actively contribute to Eurosif.

5. SRI news in Europe

Inaugural survey analyses disclosure on Corporate Social Responsibility by listed companies in Central and Eastern Europe

A survey released by the Partners for Financial Stability (PFS) Program analyses for the first time on a regional basis listed companies' disclosures on a broad range of Corporate Social Responsibility (CSR) issues. "Reporting on CSR by CEE Listed Companies" investigates English-language information available as of August 15, 2003 in the 2002 annual reports and websites of the ten largest listed companies (by market capitalization) in each of six CEE countries slated for European Union (EU) accession in 2004: the Czech Republic, Estonia, Latvia, Lithuania, Slovak Republic, and Slovenia. Encompassing accounting standards, corporate governance, environmental policies and social policies, the survey analyses corporate reporting on matters that previously might not have been considered essential.

The survey is available online at: www.ewmi.hu/capitalmarkets_research.php.

DrKW introduce SRI incentive for all sell-side analysts

DrKW has become the first sell-side research institution to make SRI research part of sell-side analysts' formal evaluation by incorporating SRI feedback into their analysts' targets. The method developed by DrKW involves amalgamating the SRI fund managers and analysts who have an attributable vote in their firm's broker evaluation scheme, to form a new "virtual" client called "SRI". "SRI" currently commands the same weighting as a typical UK fund management house. As increasing numbers of SRI analysts and fund managers gain a share of their broker vote and provide feedback in broker reviews, "SRI" will increase in its weighting and importance in the system, thereby facilitating more resource allocation.

The International Congress hosted a conference on Sustainable Management in Action

in Geneva between September 4-6. Principal topics of discussion were on the promotion of sustainable management on an international level as well as a driver for innovation and development in companies. The three-day conference concluded with an overview of sustainable management in practice in Asia and Southern Europe for comparative purposes.

6. Upcoming events

EIRIS Asia-Pacific seminar

October 9, The Insurance Hall, London.

The seminar will feature presentations by EIRIS' Japanese and Australian research partners, among others. For further information please refer to

[www.eiris.org/Pages/TopMenu/EIRIS Asia-Pacific Seminar 9 October 2003.doc](http://www.eiris.org/Pages/TopMenu/EIRIS%20Asia-Pacific%20Seminar%209%20October%202003.doc) (MS Word)

The Sustainability Forum conference on "The Future of Retirement Systems: The Quest for new Governance and Asset Management Strategies for Pension Funds".

October 15, Zurich

Further details available on:

www.sustainability-zurich.com/international/pdf/pdf03/symp2003_programme_incl.pdf

3rd Annual UK & Irish Pension Schemes Summit

October 16-17, Park Lane Hilton, London

For further information please contact Richard Valmarana:

rvalmarana@imn.org

14th annual SRI in the Rockies

October 19-22, Lake Tahoe, USA

SRI in the Rockies is one of the major annual gatherings of the socially responsible investment industry in the U.S.

www.sriintherockies.com

UNEP FI Tokyo Roundtable 'Sustaining Value' - A Meeting on Finance and Sustainability

October 20-21, Tokyo, Japan

Register online at

unepfi.net/tokyo/

EIRIS Seminar for UK Companies

October 22, The Securities Institute, London

Chaired by Jeremy Baskin, Head of Research and aimed at improving communication with UK companies. For further information please refer to

[www.eiris.org/Pages/TopMenu/UK Company Seminar invite - 22 October 2003.doc](http://www.eiris.org/Pages/TopMenu/UK%20Company%20Seminar%20invite%20-%2022%20October%202003.doc)

FTSE 4Good Japan Conference

October 22, Tokyo

For further details consult:

www.ftse.com/ftse4good/news/20030922japanconference.jsp

Conference on stakeholder engagement and non-financial reporting hosted by the Ethical Corporation

November 4-6, London, UK

Full details are online at

www.ethicalcorp.com/dialogueandreporting

Triple Bottom Line Investing Conference 2003

November 6-7, Amsterdam

For online registration please visit

www.tbli.org

Business for Social Responsibility Annual Conference: Building & Sustaining Solutions

November 11-14, Los Angeles

Further information: www.bsr.org/conference/

Labour Standards and Human Rights Conference hosted by the Ethical Corporation

Seminar to discuss corporate adherence to human rights policies

November 19-21, Brussels

Full details and online registration available at

www.ethicalcorp.com/labour2003

INSEAD-CMER Balanced Scorecard and Sustainability Conference

Discussing processes for blending environmental and social issues with financial control

November 20, Paris

Further information is available from the website

www.insead.edu/CMER/events/sbsc2003

Corporate Engagement Caring for the old age

Seminar for Dutch Pension Funds organised by Universiteit Nyenrode, Universiteit Maastricht
ABP, PGGM and the Ministry of Economic Affairs

December 10-11, Amsterdam

For further information please visit

www.nyenrode.nl