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1. Eurosif Update

Institutional SRI study: With the support of the European Commission, Eurosif is pleased to present their comprehensive study on "Socially Responsible Investment among European Institutional Investors 2003." This report collates national SRI data and provides an estimate of pan-European institutional market size. Eurosif analysis also details cross-country comparisons as well as provides predictions for future SRI trends. Eurosif hopes that this report will offer insights into institutional SRI, but also at the same time, provoke continued debate about what is Socially Responsible Investment and how it can best be integrated into sound mainstream financial management.

Events:

Matt Christensen was active at the annual SRI in the Rockies Event, held this year at Lake Tahoe, California. He spoke twice, first as the keynote speaker for the iwg(international working group), a group of up to 50 people looking at international SRI. He spoke about European SRI and its differences in each country and how North America and European SRI practitioners should consider partnering in the future. Matt also took part in a breakout session about international shareholder advocacy styles.

More about this event at www.sriintherockies.com/2003/agenda.jsp

Matt spoke to a leading group of pension fund trustees and mainstream asset managers on October 28th at The USS Competition Seminar on the Future of Fund Management held in Amsterdam. The title of the Seminar was "Managing Pension Fund Assets As If The Long Term Really Did Matter" and was sponsored by the European Pension Fund Investment Forum (EPFIF). This seminar was endorsed by USS and Hewitt Associates as an outcome of the recently held USS competition which was one by Henderson Global Investors, one of Eurosif's members.

For more, please see <http://www.epfif.com/seminar.htm>

Eurosif was represented by Matt Christensen at the ICMIF (International Cooperative and Mutual Insurance Federation) Biennial Conference which was held at the Grand Hotel Inter-Continental in Paris from October 15th-18th. Mr. Christensen gave a presentation entitled "Socially Responsible Investment in Europe: An Overview" in which he discussed the evolution of strategies relative to SRI in the European financial markets. The conference aimed at finding ways to make an economic and social difference in the insurance industry in the future.

On behalf of Eurosif, Jerome Tagger attended an Academic conference on Corporate Citizenship organised by the CEROS (Center for Organisational and Strategic Studies) at the University of Nanterre-Paris X on October 23. He presented the results of the European Institutional SRI study to an audience of academics and professionals.

2. EU Update

Transparency Obligation Directive:

In the context of the Single Financial Market Action Plan, a Transparency Obligation Directive is being developed at the EU level. Eurosif produced and submitted to its members an amendment aiming at reflecting our concerns for more transparency in SEE reporting. This amendment project is going to be submitted to the European Monetary Affairs Committee in early November 2003.

Multi-stakeholder forum:

Matt Christensen will be attending the third Plenary Meeting of the Multi-Stakeholder Forum in November, being held in Venice. The meeting is coinciding with an invitation only CSR event being sponsored by The Italian Presidency of the EU titled 'The Role of Public Policies in promoting CSR'. High level EU ministers will be present such as Mario Monti, the EU Commissioner for Competition.

The draft minutes of the second meeting of the Round Table 'Diversity, convergence and transparency of CSR practices and tools' of 29-30 September 2003 are now available.

[Click here to read minutes](#) [on Europa website].

3. News from Eurosif members

Henderson Global Investors wins for the corporate category of the USS Competition.

From a total of 88 entries, the judging panel comprising seven senior industry experts selected Henderson Global Investors as the winner of the corporate category. The competition was sponsored by the Universities Superannuation Scheme (USS) pension plan and Hewitt Bacon & Woodrow (HB&W), the aim of which was to find a new blueprint for managing pension funds in a long term and socially responsible way.

For more please see the following:

[Henderson Press Release](#)

[USS Competition Winner Announcement](#)

Triodos Sector study analyses Office Electronics and Photographic Products Industry

Based on information provided by SiRi Group and Dutch Sustainability Research as well as additional research and consultation with NGOs and companies, Triodos Advisory Services recently completed a new sector study covering the Office Electronics and Photographic Products Industry. This study combines a screening on some ten exclusionary criteria with a best-in-class analysis of companies in the sector. The companies included in this study are Agfa-Gevaert, Canon, Eastman Kodak, Fuji Film, Océ, Ricoh and Xerox. Key sector-specific sustainability issues in the study are: the use of hazardous substances, recycle and take back programs, product design for disabled people, efficient energy use of products and product information to users.

Within the best-of-class analysis, Canon (Japan) achieved the highest score, although the differences between the companies' scores were relatively small. Canon stands out for its environmental policies and programs. The company is very pro active in eliminating hazardous substances in its production processes and recycling old products and parts. The company publishes an extensive environmental report that is composed with the guidelines of the Global Reporting Initiative.

For more information, please contact Marcel Jeucken and Triodos Bank: mjeucken@triodos.nl

Standard Life Investments:

Julie McDowell, SRI Research Manager at Standard Life Investments, spoke at the annual meeting of the United Nations Conference on Trade and Development/Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting in Geneva on 2 October. The topic of her presentation was accounting and reporting on corporate social responsibility.

DJSI licensed by Munich Re's asset management arm and UBS Global Asset Management (Japan)

Munich RE, one of the world's largest re-insurers based in Germany, has licensed the Dow Jones Sustainability Indexes as part of its strategy to tap into the expanding market for SRI products. According to the Sustainable Business Institute at the European Business School, the SRI segment of the German fund market has grown by 25% since the beginning of the year.

Similarly UBS Global Asset Management (Japan) has licensed the Dow Jones Sustainability Indexes for its new SRI product offering in the Japanese market. The product, to be launched jointly with Daiwa Securities, will be based on the DJSI World Index and is the second SRI offering in Japan to be tracked against the DJSI benchmark, following the launch of Nikko Asset Management's DJSI-based sustainability fund in 2000.

Launched in 1999, the Dow Jones Sustainability Indexes were launched as the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. 46 DJSI licenses are currently held by asset managers in 14 countries to manage a total amount of EUR 2.1 billion based on the DJSI.

Ethos publishes study on corporate governance in Switzerland

Following the Swiss Stock Exchange' issuance of its "SWX-Directive on Information Relating to Corporate Governance" in 2002, Ethos Foundation undertook a study to investigate corporate compliance with these new standards, based on a sample of the 100 major companies listed on the Swiss Stock Exchange. The study considers transparency in the disclosure of information concerning capital structure, the composition and organisation of the board of directors, the independence of the auditors, and shareholders' participation rights. UBS, Swiss RE, CS Group are among the companies highlighted as companies with best practices in this area while Zehnder, Conzetta and Belimo are deemed laggards. The study also includes several proposals to further refine the existing directive in order to ensure stringent corporate governance standards within Switzerland.

The study is available at www.ethosfund.ch/ethos/pdf/etude_compliance_e.pdf

Henderson publishes quarterly SRI newsletter, includes study on trade liberalisation

Henderson's SRI investment division has published its third-quarter update, which includes an analysis of "sustainable liberalization"-related concerns within the WTO framework in light of the inconclusive outcome of the recently held Cancun negotiations. The update also highlights promising investment opportunities in the water treatment and disinfection industry, a sector averaging 15% annual growth.

Third SAM/SPG Sustainability Leadership award presented to Tessa Tennant

Sustainable Asset Management (Switzerland) and the Sustainable Performance Group jointly awarded the third annual award to recognize leadership in the SRI field to Tessa Tennant, who co-founded the first SRI fund in the UK in 1988 (the Merlin Ecology Fund) and helped establish Asia's first regional SRI organisation: AsRIA (Association for Sustainable and Responsible Investment in Asia), based in Hong Kong.

ESADE professor honoured as CSR expert; business school ranked among top five in CSR

A jury composed of multinational executives from corporations including Shell, IBM and Microsoft awarded ESADE Professor Josep Maria Lozano with a "European Faculty Pioneer 2003" award for his integration of CSR at ESADE's business school curriculum as well as his primary research in the field of corporate governance. The award is sponsored by the European Academy of Business in Society (EABiS).

Further, ESADE was ranked as one of Europe's five leading business schools in social and environmental responsibility, according to The Aspen Institute and The World Resources Institute. The survey identifies the thirty-six best business schools globally in the social and environmental responsibility domain, among which only five were found in Europe, including ESADE.

See: www.esade.edu

4. News from SIFs

NEW SIF in SWEDEN

Following a 10-month effort, a group of 10 companies and organizations have agreed to found the Sustainable Investment Forum Sweden as a stakeholder forum. It plans to arrange member meetings as well as open seminars, produce a web site and newsletters, engage in theme specific and time limited projects and (in the future) establish a special award for SRI initiatives, while prioritizing member activities and the web site in the first year.

UKSIF

New UKSIF Chair and board members

At the 2003 AGM Emma Howard Boyd (Jupiter) took over the role of UKSIF Chair from Andrew Robinson (NatWest), having been Vice Chair since 2001. Six new directors were also elected at the AGM: Clare Brook (Morley); Lee Coates (Ethical Investors); Julia Dreblow (Friends Provident); Charles Middleton (Triodos); Rodney Schwartz (Catalyst); and Steve Waygood (Insight). UKSIF's other elected directors are Tauni Brooker (CoreRatings), Andrew Preston (Aberdeen) and Russell Sparkes (Epworth). For the year 2003/4 the four co-opted members of the board will be Philip Angier (Angier Griffen & Chair of the Just Pensions Advisory Board); Mark Campanale (Henderson & member of the Retail Revolution Sub-Committee); Rob Lake (Henderson & member of the Just Pensions Advisory Board); and Peter Webster (current Treasurer). The co-optees have been chosen to provide continuity and/or deeper links with UKSIF's sub-committees. Board members serve in a personal capacity, and organisational affiliations are given for information only.

UKSIF / Just Pensions' pharma sector note to be sent to over 1000 Pension Fund Trustees

The first in this series of sector notes has been produced by UKSIF / Just Pensions in collaboration with a group of UKSIF member fund managers. The note identifies potentially material social, environmental and ethical risks facing the pharmaceutical sector, as well as highlighting the work of the Pharmaceutical Shareowners Group (PSG) on access to medicines in developing countries. The next note, on the utilities sector, will be launched in November at a sectoral event organised in conjunction with DrKW. For further information, the full Year 1 timetable (covering the utilities, media & entertainment, telecoms and retail sectors) and/or a pdf of the pharma note please contact info@uksif.org.

5. SRI news in Europe

New SRI web platform

sustainable-investment.org is a new publicly available website profiling 110 European mutual funds, indices and rating-agencies. In the database you can search for 1.800 companies held as top-ten-investment or listed in an index. The scope of this site will expand step by step.

The Nijmegen School of Management (NSM - NL) is looking for Silent Leaders...

...who demonstrate the business case for success in CSR. For most companies the debate around CSR centres on whether or not to engage in CSR and then how it is managed. However, it is clear that a smaller group of companies has a much longer track record of reconciling social and environmental responsibility with competitiveness and profitability- so-called 'Silent Leaders'. The NSM would like to invite people to visit their project-website and fill out a short questionnaire to find out about companies that could be classified as a Silent

Leader. This could lead to an invitation for further research. Participants in this project will have ample opportunity to learn from other Silent Leaders at a business seminar and via the exchange of case studies with academic reflection.

The address of the project-website is www.corporateresponsibility.nl where you will find all the relevant information and contact persons / partners involved.

UK's Hermes to draw on Innovest's SRI expertise

Hermes, the manager of UK's largest pension fund (the BT Pension Scheme) has selected Innovest Strategic Value advisers to provide sustainability research on companies' risk and strategies with respect to environmental, social and corporate governance concerns in order to further integrate fundamental SRI research in its investment selection process.

Avanzi SRI Research/SiRi Group publishes updated Green Social and Ethical Funds in Europe survey

The annual census of European retail funds using ethical, social or environmental selection screens reveals a growth in the number of SRI products entering the fund management market over the past year, despite the modest reduction in total SRI assets due to market depreciation. As of June 2003, there are 313 green, social and ethical funds reported to be operating in Europe (compared with 280 at December 2001) with United Kingdom, Sweden, France and Belgium occupying a 63% share of total European SRI funds available. The United Kingdom in particular, is dominant with a 32% share of total European SRI assets. In a survey of stocks found in SRI portfolios, Vodafone, Pfizer, Johnson and Johnson, Citigroup, GSK and Microsoft are cited most frequently.

Further information is available at: www.sirigroup.org/release-1003.shtml

UK's Investment Management Association publishes new guide on ethical funds

The Investment Management Association, the UK trade body for the professional investment management industry, has published a new guide on ethical funds for investors who want to learn more about stock screening criteria and processes. Further, the guide argues that investing ethically can potentially increase returns on investment relative to the broader market.

The IMA fact sheet is available at: www.investmentuk.org/about_funds/fact_sheets/ethicalfactsheet.pdf

Germany's Pensionskassen start to recognize potential of SRI market

A current study by SiRi Group member scoris examines SRI from the perspective of the German Pensionskassen. The results of the study show that German Pensionskassen are apparently under increasing pressure to seriously examine the long-term sustainability of their investments. Information deficits are, however, still an obstacle to a transformation strategy.

The study (in German) is available to download at www.scoris.de/news1.htm

Natur Aktien Index up and running

This index, famous for its particularly stringent selection of assets, covers 25 of the world's most environment-oriented companies. After legal trouble forced the Index to stop operating for a period of time, it is now back in effect.

Find out all about the index at www.nai-index.de

New European Small Cap SRI Index launched

Kempen Capital Management and SNS Asset Management have launched the first index to monitor the SRI performance of smaller companies in Europe: the Kempen/SNS Smaller Europe SRI Index. The index, which will be maintained by HSBC Bank in Edinburgh, is currently composed of 69 companies from 14 countries.

CSR Europe online

www.csreurope.org has received a makeover – with unified access to all sites and databases, links and news.

6. Upcoming events

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 at www.insead.edu/CMER/events/sbsc2003

Séminaire Notation et Reporting Social et Environnemental: Nouvelles perspectives et cadrage opérationnel

Recent developments on the French ratings market.

November 20 and 21, December 12 2003, Paris

More at :

www.sciences-po.fr/spf/programmes/rh/index.htm#4490 [web]

www.sciences-po.fr/spf/programmes/rh/4490.pdf [PDF]

Corporate Engagement Caring for the old age

December 10-11, Amsterdam

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

For information on the conference email r.bauer@abp.nl or h.hummels@nyenrode.nl

Sustainable Enterprise Summit presented by WRI

March 17-18, 2004 Washington, DC.

For details please consult www.wri.org/wrisummit

Annual CERES Conference

To unite government officials, investors and corporates to discuss solutions to energy and environmental problems

April 14-15, 2004, Boston, Hyatt Regency Hotel

Further information available on: www.ceres.org

ASRIA's Third International Conference

April 23-24, 2004, Singapore

Visit www.asria.org

Green Mountain SRI Summit

May 23-24, 2004, Vermont, USA.

Information available at www.imn.org

European SRI Summit presented by IMN, Oslo, Norway



Eurosif Newsletter, October 2003

June 8-9, 2004, Oslo, Norway

Details available on: www.imn.org

SRI in the Rockies Conference

October 7-10, 2004, Colorado, USA

Details available on: www.sriintherockies.com