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## 1. Eurosif Update

### **Eurosif Annual conference approaching (February 5-6, Rome):**

For further information about the conference, please contact:

Sarah Rio: [sarahr@eurosif.org](mailto:sarahr@eurosif.org)

**Pension Programme begins:** This month Eurosif is beginning a yearlong Project dedicated to creating a Toolkit for Pension Funds and other Institutional investors with regard to the SRI market. This project will be presented and discussed with our Members during our February 6th conference in Rome.

For more information on this project, please contact:

Jérôme Tagger: [jeromet@eurosif.org](mailto:jeromet@eurosif.org)

**Eurosif Director Matt Christensen interviewed by new French SRI news resource:** Matt Christensen was recently interviewed by recently launched French-based SRI news provider ISR-Info on Eurosif's accomplishments to date and plans for the future. Among the topics broached were Eurosif's recently concluded Institutional SRI survey and the practice of stakeholder dialogue and engagement with companies, notably by pension funds, which continue to drive the growth of SRI, particularly in the United Kingdom within Europe. Corporate governance issues such as proxy voting and government as well as trade union involvement were discussed as being of prime importance in the expansion of the SRI paradigm into mainstream investing.

As concerns Eurosif's agenda for 2004, Matt Christensen emphasised the effort underway to draft "Transparency Guidelines" for institutional investors, as had been done for retail investors in 2003. Also in the works are a toolkit for pension funds explaining SRI in detail and how it can be of use to their funds under management and a broader vision of trying to establish SRI as a common denominator in the EU countries and to host a European conference for pension funds to discuss SRI best practices.

The transcript of the interview (in French only) is available online at:

<http://www.isr-info.com/library/fr/columns/5F257y2WU0b1AcViQbMK.htm>

### **New Upgraded Search Feature on the Eurosif Website:**

Our web designers **wwwolf** in England, working with **ANet** Solutions in Austria, have implemented a great multilingual, multi-site search engine for browsers of the Eurosif web site. This tool enables research of all pages and documents on [www.eurosif.org](http://www.eurosif.org), all the national SIF sites in the languages in which they are available, as well as the web via Google. Portal pages will soon be fully available in five European languages.

## 2. EU Update

### Transparency Directive

Eurosif's work with lobbying is beginning to pay off. Two parliamentarians from the Labour Party put forward a modified version of a Eurosif amendment to the Transparency Directive (please see below). It asks for companies to report on the non-financial risks that they face in their annual reports. This in turn would help the investment community to have better information for their investment decisions. The Committee will vote on the amendment in late February. Eurosif is following the results closely and will keep you informed of its progress. From there it goes to the European Parliament for final passage.  
Amendment by Ieke van den Burg and Pervenche Berès  
Amendment 57 Article 4, paragraph 2, point (b c) (new)

**(bc) information on ethical, social and environmental policies, that may be relevant for assessments by investors that take such criteria into account for the purpose of sustainable and responsible investing;**  
[OR.en]

*Justification:*

An increasing number of investors are attached to using sustainability and CSR criteria for assessment as well as purely financial criteria. Issuers that – on a voluntary basis – want to have a profile on CSR and sustainability should be obliged to disclose their policies in the annual financial report.

*For more see:*

[www.europarl.eu.int/meetdocs/committees/econ/20040119/513708en.pdf](http://www.europarl.eu.int/meetdocs/committees/econ/20040119/513708en.pdf)

### Multi Stakeholder Forum

Final minutes from the November 13 Venice Plenary Meeting are now available:

Form ore information: [read on the web](http://forum.europa.eu.int) on [forum.europa.eu.int](http://forum.europa.eu.int).

During this meeting, all Forum members agreed that the Forum is succeeding in developing a culture of listening and open debate, proving to be a useful and unique platform for dialogue at EU level between the business community, trade unions, and civil society organisations. The Forum contributed to a better understanding of CSR and the views and concerns of different players. Next steps will be:

1. Reaffirmation of International and European principles, standards and conventions;
2. Analysis of CSR determining factors (e.g. drivers, obstacles, success factors);
3. Future initiatives and recommendations, particularly in the following areas: raising awareness and improving knowledge on CSR; developing the capacities and competencies to help mainstreaming CSR; ensuring an enabling environment for CSR, and requiring individual commitments, collaborative actions and/or appropriate initiatives from EU institutions and other reference players in the field of CSR.

*Upcoming MS-RT meetings include:*

29-01-2004 3rd meeting SME Roundtable

17-02-2004 meeting CSR Knowledge Roundtable

12-03-2004 3rd meeting Development Roundtable

Participants are nominated by organisations, which are members of the Forum

22-03-2004 3rd meeting Instruments Roundtable

*Follow this link for:*

[more information on the MSF Forum on CSR](http://forum.europa.eu.int) (on the [forum.europa.eu.int](http://forum.europa.eu.int) website).

### Corporate Governance

A synthesis of the results of the consultation on the Commission's Communication on "Modernising Company Law and Enhancing Corporate Governance in the EU: A Plan to Move Forward" has been published. Some respondents are of the opinion that the Action Plan should have paid more attention to the interests of other stakeholders in the corporate governance debate. The framework proposed by the Action Plan is viewed by some as considering business only accountable to its shareholders with stakeholders and wider society in general being a secondary consideration. Some also feel that corporate governance can not be separated from corporate social responsibility. Follow this link for [more details on the consultation](#) (on europa.eu.int)

### 3. News from Eurosif members

#### Eurosif proudly welcomes five new members this month

##### **ABP**

ABP, Europe's largest pension fund, with a strong SRI track record, announced that it will join Eurosif as a member. More to come next month.

For more see: [www.abp.nl](http://www.abp.nl)

##### **Calvert**

Calvert is the largest family of socially responsible mutual funds in the United States with approximately \$9 billion in assets under management, offering twenty-eight funds that allow individual and institutional investors to pursue a broad range of investment objectives within a single fund family. Calvert created the Calvert Social Index TM, a benchmark for measuring the performance of large, U.S.-based socially responsible companies, and also offers an extensive line-up of tax-free and taxable fixed income investments.

For more information on Calvert, go to [www.calvert.com](http://www.calvert.com).

##### **DNV**

Established in 1864, DNV is an independent foundation with the objective of safeguarding life, property and the environment and is a leading international provider of services for managing risk. Headquartered in Oslo, Norway, DNV runs 300 offices in 100 different countries. It is one of the world's leading certification bodies/registrars offering the latest in management systems certification services, with more than 45,000 certificates issued worldwide. In terms of Corporate Social Responsibility and SRI, DNV's vision is to verify and evaluate CSR report, CSR management system and SRI/CSR issues/intangible assets in a transparent a reliable manner.

More at [www.dnv.com](http://www.dnv.com)

##### **Pioneer Investments**

Pioneer Global Asset Management S.p.A. and its subsidiaries manage over \$145 billion (Dec 31, 2003) under the name Pioneer Investments®, including over \$34 bn in U.S. Pioneer's flagship fund, Pioneer Fund, founded in 1928 and now the fourth oldest mutual fund in the United States.

More at: [www.pioneerfunds.com](http://www.pioneerfunds.com)

##### **TUAC**

The Trade Union Advisory Committee (TUAC) to the OECD is an interface for labour unions with the OECD. It is an international trade union organisation which has consultative status with the OECD and its various committees.

More at [www.tuac.org](http://www.tuac.org)

#### Calvert surveys perception of corporate governance among investors

Calvert recently commissioned an Investor Survey, which was conducted by Harris Interactive. The survey found that US investors see a definite link between good corporate governance and shareholder value:

84% of investors are more likely to invest in a mutual fund if it engages in ethical business practices in its operations and reporting.

71% of those surveyed said that they either strongly agreed (35%) or somewhat agreed (36%) that companies operating with higher levels of integrity carry lower investment risk.

68% of those surveyed said that they either strongly agreed (31%) or somewhat agreed (37%) that companies operating with higher levels of integrity deliver higher investment returns.

### **ESADE publishes study on Danone's job creation plan**

A recently published ESADE study "Danone in Ultzama" finds that 335 jobs were created as a result of Danone's Valle de Ultzama (Navarre) social and industrialization plan, spearheaded by the company to offset the 1995 closure of its manufacturing plant, which then entailed the loss of 177 jobs, half the total employment created within the following eight years. Josep Maria Lozano, Director of ESADE's Institute for the Individual, Corporations and Society considers this case to be exemplary in terms of innovation in corporate social responsibility as Danone, through its social plan was able to avoid the scenarios typical of other factory closure cases: downturns in local income and consumption, job losses in the local economy, reductions in local tax revenues, the deterioration of public services, the loss of investment appeal, and even the closure of other plants.

### **Ethibel participates in adidas-Salomon's stakeholder consultation**

Upon including adidas-Salomon in its Investment Register, Ethibel committed itself to monitor and engage with the company. To this end, Ethibel participated in a stakeholder consultation meeting in Brussels on 23 October to advise the company on priorities for improvement. Ethibel analyst Irene Zeilinger's main proposals were the creation of a worldwide works council, an extension of the reporting and external certification of the company's 100% owned production sites for the non-adidas brands, and more information for customers on the environmental impact of adidas' products throughout the production process.

For further information, please contact Irene Zeilinger on [irene.zeilinger@ethibel.org](mailto:irene.zeilinger@ethibel.org)

### **Ethos publishes company evaluations based on new methodology**

After having modified its investment process strategically, including the strengthening of the environmental and social dimensions of its portfolios, ethos has made available a first series of company analyses concerning 65 Swiss companies on its website and further analyses of its investment universe will gradually be made available on-line in the coming months. For each company, a ratings grid shows the company's overall environmental and social evaluation; the contribution of the different criteria of the environmental analysis (strategy, management system, impact of the production process and product/service quality) and of the social analysis (the company's relations with its customers, suppliers, employees, civil society and its shareholders). The global evaluation positions the company in relation to the average of its sector on an evaluation scale going from triple minus (- - -) to triple plus (+++).

Company evaluations and further information on the ratings criteria are available on ethos' website: [www.ethosfund.ch/ethos/en/guide.htm](http://www.ethosfund.ch/ethos/en/guide.htm)

### **FEE calls for a European enforcement co-ordination Body for IFRS, publishes January newsletter**

Brussels-based European Federation of Accountants (FEE) has requested for the creation of a pan-European co-ordination body to ensure a level playing field for International Financial Reporting Standards (IFRS) enforcement. FEE also called for an additional wider consultation mechanism that would give an opportunity to all stakeholders to contribute to the continuous development of the enforcement system. The impending adoption of IFRS in Europe is a potential catalyst for a fully integrated European capital market by facilitating comparability of financial information across the EU. However, FEE, which has 41 member bodies of professional accountants from 29 countries, representing more than 500,000 accountants in Europe, is concerned that the benefits of increased market efficiency will be undermined

unless there is consistent enforcement of IFRS throughout Europe, a role that the proposed enforcement body would undertake.

Follow this link to [download the Position Paper](#). [PDF on [www.fee.be](http://www.fee.be)]

FEE's January 2004 newsletter also outlines the organisation's priorities for 2004, which include its continued vigilance on accounting issues such as the European Commission's revision of the 8th directive addressing a range of key issues, including auditing standards, quality assurance and public oversight. FEE's January 2004 newsletter is available on: [www.fee.be/secretariat/PDFs/Newsletter/009.Jan2004.web.pdf](http://www.fee.be/secretariat/PDFs/Newsletter/009.Jan2004.web.pdf)

FEE's publication "A Conceptual Approach to Safeguarding Integrity, Objectivity and Independence Throughout the Financial Reporting Chain" is available on [www.fee.be/publications/main.htm](http://www.fee.be/publications/main.htm) [under the section: *Ethics*]

### **Henderson responds to Nuffield Council's public consultation on Bioethics**

Henderson's SRI team has contributed to the public consultation on the ethics of research involving animals by addressing the Nuffield Council's six principal questions proposed for consideration, on 'The Ethics of Research Involving Animals'. Henderson's SRI team advocates the responsible management of the potential ethical, social and environmental risks to business if animal research is not managed in a responsible manner and also believes that there exist future investment opportunities in the area of non-animal research alternatives. As investors, Henderson also believes companies should be routinely disclosing their involvement in animal research - particularly about their use of transgenic animals in research and animal cloning - and consider including this in their Operational Financial Review (OFR) as this can be a material issue.

Follow this link for [Henderson's detailed response](#) online (PDF on [www2.hendersons.com](http://www2.hendersons.com))

### **ISIS publishes report on palm oil tracability and sustainability**

ISIS Asset Management's new report "New risks in old supply chains: Where does your palm oil come from?" highlights SRI-relevant findings from its survey of 27 investee companies on their palm oil use and supply chain management. Surging global consumption of palm oil has made it the single-largest traded edible oil, prompting rapid conversion of tropical forest to oil palm plantations and thus raising renewed concerns about forest and biodiversity loss, as well as displacement of indigenous peoples.

The report concludes that investors cannot afford to neglect these issues, and are well advised to explore such concerns before they impact on the value of their holdings. The study reveals that some companies have performed well with regard to palm oil sourcing, such as Unilever, Body Shop and Marks & Spencer. Although 100% of companies surveyed acknowledged that the ecological impacts associated with commodities in their supply chains were a potential risk for their business, 83% did not appear to know where their palm oil originated and the majority were unclear about whether they use significant quantities.

The full report is available online at

[www.isisam.com/uploadFiles/sripalmoilreport.pdf](http://www.isisam.com/uploadFiles/sripalmoilreport.pdf)

### **Jupiter produces winter update of Environmental Research Bulletin and Engagement Report**

In the latest edition of its Environmental Research Bulletin, Jupiter Asset Management analyses the recent increase in environmental legislation and consequent risks and opportunities for companies. The Bulletin also includes profiles of four companies held in Jupiter's SRI funds (Gamesa, Wholefoods Market, Keller and Véolia Environnement) and provides an update on fund performance. The Environmental Research Bulletin can be found online at:

[www.jupiteronline.co.uk/pdf/Env\\_Res\\_Bulletin.pdf](http://www.jupiteronline.co.uk/pdf/Env_Res_Bulletin.pdf)

Aside from this, Jupiter has also published its regular report on the SRI team's recent company dialogue and engagement process entitled Being Part of the Process of Change.

The latest issue considers the growing problem of obesity and how governments, food companies and investors are likely to respond. Jupiter also reports on its discussions with retail banks about the importance of considering environmental risk in their lending decisions as well as on issues ranging from sustainable construction to access to medicines. This report is available online on:

[www.jupiteronline.co.uk/greens/pdfs/engagement\\_rep.pdf](http://www.jupiteronline.co.uk/greens/pdfs/engagement_rep.pdf)

### **Standard Life Investments outlines its SRI research and engagement approach**

A new report published by Standard Life Investments points to the vital importance of CSR to the long-term prospects of companies and, consequently, to the prospects for investing in these companies. Julie McDowell, Head of SRI Research at Standard Life Investments outlines appropriate methods for analysing corporate approaches to social and environmental issues and also examines the role of institutional investors in influencing companies on matters of corporate responsibility and considers the analysis of CSR issues, and engagement with companies to encourage best practice in their management, to be an integral part of a successful fund manager's approach to investing for the long term.

Follow this link for [Standard Life Investments' Global Horizons report](http://uk.standardlifeinvestments.com) (on <http://uk.standardlifeinvestments.com>)

### **DJSI looking back to a good past year**

2003 proved a significant year for Dow Jones Sustainability Indexes. The DJSI World outperformed the mainstream market, the first Exchange Traded Fund tracking the DJSI STOXX was listed on Euronext, media references to the indexes nearly doubled and the number of DJSI-based portfolios continued to grow. The end of December marked an encouraging milestone as the number of licenses sold hit the 50 mark and close to 2.5 billion EUR were managed against the DJSI family. Read DJSI's newsletter Monthly Update at <http://www.sustainability-indexes.com/html/news/monthlyupdates.html>

### **New SRI research pilot standard has dedicated website**

Information on CSRR-QS 1.0, a new SRI research standard we highlighted last month can now be found at:

[www.csrr-qs.org](http://www.csrr-qs.org). Among the project's partners are EIRIS, Ethibel and Avanzi SRI Research.

## **4. News from SIFs**

### ***German SIF***

#### **German SIF active on Pension Reform**

For the last few months The German SIF has been active with the ongoing German Pension Reform. It has strongly supported the endangered SEE reporting obligation proposal through meetings and mailing campaigns. The reporting obligation proposal has henceforth been maintained. The SIF will be present during the final hearings regarding the new pension Law. More at [www.forum-ng.de](http://www.forum-ng.de)

#### **Forum Nachhaltige Geldanlagen welcomes five new members**

Delta Lloyd Investment Managers; greenValue, Nürnberg; Schroder Investment, Frankfurt am Main; Vereinigte Pensionskasse, Wien; Herr Stefan Theis, Mainz

### ***UKSIF***

**Just Pensions to provide secretariat for new global Pharma industry-level engagement project**

'Pharma Futures' will run through to September 2004 and is sponsored by five pension funds from the UK, US and elsewhere. A senior private sector Working Group will attend externally facilitated scenario planning workshops in the US and Europe to review the current pharma business model to create a better fit between the needs of the industry and its investors and those of society and the growing recognition of improved global health as a public good. During the process a Global Virtual Stakeholder Group will be consulted on a range of issues relevant to a successful, long-term pharma industry. The funding for this project and the secretariat function will be provided by DFID and US foundations. Contact [helena.vinesfiestas@justpensions.org](mailto:helena.vinesfiestas@justpensions.org) for further information.

### **UKSIF 26th Jan FTfm exclusive entitled "UK pension funds ignore SRI" for latest Just Pensions report**

*Will UK Pension Funds Become More Responsible? A Survey of Trustees – 2004 edition*, is based on a survey of 130 trustees of UK pension funds by Ashridge Centre for Business and Society, and includes commentaries from the ABI, Forum for the Future, NAPF, UNIFI and USS. The survey found that although engagement is set to race further ahead as the preferred SRI approach for UK pension funds, 50 per cent of trustees admitted that they did not have formal procedures for taking SRI expertise into account when hiring or assessing fund managers. The survey identified a range of barriers to the greater incorporation of SRI into pension practice, most of which clustered around two issues – cost versus benefit, and the quality of evaluation tools.

However, when the results are taken in the context of the impact trustees think SEE issues will have on corporate performance over the longer term, and their positive view about the potential impact of shareholder activism, it is clear that these barriers are seen as surmountable. Perhaps this is because over half the respondents believe that the UK government should promote a formal code of best practice, and encourage a longer term perspective in equity investment.

Follow this link [to view extracts or download the full report](#) (or via [www.justpensions.org](http://www.justpensions.org)). Section 4 of the report outlines the 2004 Just Pensions programme.

### **US SIF releases much-awaited report on SRI trends in 2003**

The US Sustainable Investment Forum released its much-awaited 2003 Report on SRI trends within the United States, detailing developments in portfolio screening, shareholder advocacy, and community investing. The report finds that SRI has remained robust during difficult market conditions, totalling US\$2.16 trillion in professionally managed assets as of December 31, 2002, compared to a figure of US\$2.3 trillion identified by its 2001 Trends Report. The full report is available online at

[www.socialinvest.org/areas/research/trends/sri\\_trends\\_report\\_2003.pdf](http://www.socialinvest.org/areas/research/trends/sri_trends_report_2003.pdf)

## **5. SRI news in Europe**

### **World Economic Forum reiterates importance of Global Corporate Citizenship, launches Greenhouse Gas Register**

In conjunction with its annual meeting in Davos, the WEF released a new report entitled "Values and Value: Communicating the Strategic Importance of Corporate Citizenship to Investors" by its internal Global Corporate Citizenship Initiative (GCCCI) arm which works with more than 40 Forum member companies and representatives of other organizations and initiatives with expertise in the area. Through co-operation with businesses and through discussions on corporate citizenship at various Forum events, the GCCCI aims to increase corporate awareness, engagement, and support for corporate citizenship as a business strategy with long-term benefits for both corporations and society. A copy of the report can be downloaded from:

[www.weforum.org/pdf/GCCI/GCCI\\_Survey\\_2004.pdf](http://www.weforum.org/pdf/GCCI/GCCI_Survey_2004.pdf)

At its meeting in Davos, the WEF also officially launched the Greenhouse Gas Register, a new global initiative for companies to disclose and manage their world-wide climate emissions. Developed in partnership with leading international business and environmental organizations, the Register intends to catalyse voluntary corporate climate action around the world by creating a global standard for the disclosure of their emissions inventories and reduction targets. Holding the view that the global investment community will increasingly be considering the carbon-related risks companies are facing and how this may impact company performance, risk ratings, the cost of capital as well as direct cash flows and earnings, the Register is a first step towards providing standardized and consolidated information to facilitate comparisons of company actions.

Follow this link for [further information on the Greenhouse Gas Register](#). [on [www.weforum.org](http://www.weforum.org)]

### **Oekom research-Morgan Stanley study finds that sustainable investments reward investors**

A study conducted by independent ratings agency oekom research and global investment bank Morgan Stanley reveals that companies with a good sustainability record have recorded an average share price increase of 23 per cent over their less socially- and environmentally-aware peers over the past four years. This result was based on an analysis of share price movements of 602 companies in the MSCI World index and advances the argument that sustainability is a value-adding investment factor. More detailed information as well as graphical material on the study can be obtained from Marnie Bammert: [bammert@oekom-research.com](mailto:bammert@oekom-research.com)

### **Sustainable management is key to long-term success**

A recent study conducted by Susanne Bergius, Sustainability Expert at the Handelsblatt, finds that over half of the companies listed in the German DAX-30 index view sustainable business practices as integral to their long-term viability. Participating companies include adidas-Salomon, Allianz, BASF, DaimlerChrysler and Deutsche Bank. While motivations behind sustainable development policies are found to differ across companies – with one-third of the companies surveyed considering such policies as essential to their long-term success and the other third listing CSR and ethical considerations as their driving force, companies agree on the economic benefits such as the reduction of environmental risks and creation of alternative ways to access fresh pools of capital. The survey also analyses the problems faced in the practical implementation of sustainable development policies, particularly concerning their global reach and the presence of incomplete internal guidelines. Companies note the scope for government involvement in installing reliable regulatory frameworks to minimise risk encourage innovation.

Details of the survey in German are available on:

[www.handelsblatt.com/nachhaltiges-wirtschaften](http://www.handelsblatt.com/nachhaltiges-wirtschaften)

and further information can be obtained from: Susanne Bergius: [bergius@vhb.de](mailto:bergius@vhb.de)

### **Supplementary funding sought: SRI in Central and Eastern Europe Feasibility Study**

The aim of this OTP Asset Management-housed study is to evaluate the feasibility of financially attractive Socially Responsible Investment (SRI) in quoted equity stocks in Central and Eastern Europe (CEE). The key issues are believed to be: are there a sufficient number of companies that would qualify for SRI in CEE

And are these companies worth investing in?

Very little work has been done on SRI in CEE. But as SRI becomes mainstream, fund managers are looking for ways to diversify their portfolios and offer higher returns. CEE may offer an opportunity for higher returns without compromising ethical investment standards. OTP is covering 75% of the required budget and the author, Natasha Landell-Mills, is looking for the remaining 25%. For more information on this project download:

contact: Natasha Landell-Mills: [natasha.landell-mills@vertisfinance.com](mailto:natasha.landell-mills@vertisfinance.com)

For more information on OTP Asset Management, visit [www.otp.hu](http://www.otp.hu)

### **CSR Europe appoints new Executive Director and new Board of Directors**

CSR Europe has appointed Bernard Giraud, a former board member of the corporate social responsibility network, as its new Executive Director. Mr. Giraud managed the CSR and sustainable development department at French food company Danone for the past six years, and will take up his new position at CSR Europe in January 2004. CSR Europe members also elected a new board of directors in December 2003 to shape the strategy and vision of the organisation for the next two years. The new board, which will meet 4-6 times each year, is made up of 15 senior executives from various backgrounds, including governments, companies and NGOs.

For more information please contact: Nicki Bennett: [nb@csreurope.org](mailto:nb@csreurope.org).

### **Impetus to stakeholders' rights movement post-Parmalat**

Corporate governance returns to the radar screen with the parent company of Italian food producer Parmalat declared bankrupt by an Italian court after the discovery of a EUR 4 billion indiscrepancy in its accounting in late 2003, representing Europe's biggest accounting scandal to date. This case could lend credence to demand from fund managers for greater regulatory protection on fixed-income investments. A working party of twenty-six institutional investors was established in October to press for improved disclosure and better rights for corporate bondholders in Europe within the grouping. Since then the group, which counts Gartmore, Henderson and HSBC Asset Management among its members, has grown to more than 30 members, and several Italian institutions are said to have expressed an interest. Further wide-sweeping regulatory changes are expected to be implemented imminently, based on the recommendations of Europe's central bankers within the Basel Committee for Banking Supervision.

The detailed report for increased protection to bondholders is available on [www.uksip.org/pdfs/BOND.PDF](http://www.uksip.org/pdfs/BOND.PDF)

### **Environmental risk high on global corporate governance agenda**

Following the UN Institutional Investor Summit on Climate Risk in November 2003, the consensus among investors and lobby groups alike was that climate change should be treated as a corporate governance issue. According to this classification, companies' exposure to the risks posed by global warming, says the lobby would concern investors just as much as the independence of directors or executive remuneration.

In December 2003, the Investor Network on Climate Risk (INCR) met at the United Nations headquarters in New York to announce an environmental "call for action". The network has demanded that US regulators and corporate boards take steps to disclose risks posed by climate change to investors and that Wall Street fund managers develop an analysis of climate change risk in accordance with their fiduciary duty towards their clients. In conjunction with the meeting, Ceres - a coalition of investors and environmental groups promoting corporate environmental responsibility, and the group that spearheaded the UN event released a report entitled 'Corporate Governance and Climate Change: Making the Connection', which examines how 20 of the world's biggest corporate emitters of greenhouse gases are factoring climate change into their business strategies and governance practices. The report also describes how institutional investors can engage companies on climate change as part of the emerging corporate governance agenda.

The report is available online at [www.ceres.org/pdf/ceres\\_cg\\_rprt.pdf](http://www.ceres.org/pdf/ceres_cg_rprt.pdf)

### **2003 SRI Moskowitz Prize Awarded**

The 2003 Moskowitz Prize for outstanding research in the field of socially and environmentally responsible investing was awarded at the SRI In the Rockies Conference to Charles Lee and David Ng of Cornell University for their paper entitled 'Corruption and International Valuation: Does Virtue Pay?' On the basis of data from 46 countries between 1995-1998, the paper concludes that political corruption is directly correlated to shareholder returns. While numerous studies have addressed the social and economic results of corruption, this study is innovative in that it focuses on shareholder value. Specifically, the authors conclude that corruption can increase costs and lower governmental performance, decrease investment and economic growth and decrease legal protections for shareholders.

A complete copy of the report is available at:  
[aem.cornell.edu/faculty\\_sites/dtn4/leeng\\_0403.pdf](http://aem.cornell.edu/faculty_sites/dtn4/leeng_0403.pdf)

### 6. Upcoming events

#### **Global Reporting Initiative (GRI) Regional Roundtables**

GRI would like to extend an open invitation to any interested party to attend a roundtable discussion on the 2002 Sustainability Reporting Guidelines. Between December 2003 and March 2004 GRI will visit six regions in an effort to gain an input and feedback from reporters and report users from diverse geographies and sectors. This series of regional roundtables is a key aspect of the Structured Feedback Process (SFP) that GRI is currently running to improve the 2002 Sustainability Reporting Guidelines. To attend any of the six regional roundtables please register at:

[www.globalreporting.org/news/events/2003/roundtables.asp](http://www.globalreporting.org/news/events/2003/roundtables.asp)

#### **Corporate Governance Conference: Staying Ahead of the Curve in the Post-Enron Era**

February 4 2004, Waldorf Astoria - New York, USA

Register online at:

[www.conference-board.org/conferences/conference.cfm?id=643](http://www.conference-board.org/conferences/conference.cfm?id=643)

#### **EUROSIF ANNUAL CONFERENCE 2004**

##### **Corporate Governance, Social Responsibility and Sustainable Investment**

February 5, 2004, Rome, Italy

The purpose is to look at social responsibility through a different perspective, arguing how corporate social responsibility could integrate into corporate governance mechanism.

[Download full details](#) [PDF, 264kb\*] from the Forum per la Finanza Sostenibile (Italian Forum for Sustainable Finance) website ([www.finanzasostenibile.it](http://www.finanzasostenibile.it))

Conference followed by Eurosif's annual Advisory Council Meeting

#### **Sustainable Development in the WTO**

##### **Trade, Investment and Environment after Cancun**

February 23-24 2004, Chatham House, London

Register online at [www.riia.org/index.php?id=5](http://www.riia.org/index.php?id=5)

#### **Corporate Responsibility in Practice - Risks, liabilities and corporate performance**

A major two-day international conference organized by The Royal Institute of International Affairs in partnership with FTSE

Monday 1 and Tuesday 2 March 2004, Chatham House, London

For further information and to register your place:

<http://www.riia.org/index.php?id=5&cid=39>

#### **Sustainable Enterprise Summit presented by WRI**

March 17-18, 2004 Washington, DC.

For details please consult [www.wri.org/wrisummit](http://www.wri.org/wrisummit)

#### **Margins to mainstream: Integrating corporate citizenship into the business core**

March 28-30, 2004, The Palace Hotel, San Francisco, USA

Register online at: [www.bc.edu/ccf/conference](http://www.bc.edu/ccf/conference)

#### **Asset Management in the EU Accession Countries Summit**

March 29-30 2004, Hotel InterContinental, Prague

(includes a session "The importance of ethical investment in asset management")

[www.euromoneyseminars.com/assetmanagement](http://www.euromoneyseminars.com/assetmanagement)  
[registrations@euromoneyplc.com](mailto:registrations@euromoneyplc.com)

#### **Corporate Responsibility and Investing in China**

March 30-31, 2004, London

Further information on [www.ethicalcorp.com/china2004/](http://www.ethicalcorp.com/china2004/)

### **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](http://www.ceres.org)

### **ASRIA's Third International Conference**

NEW DATE: July 15-16, 2004, Singapore

Visit [www.asria.org](http://www.asria.org)

### **Transparency, stakeholder engagement & social reporting**

May 20-21, 2004, Toronto, Canada

Detailed information available on [www.bc.edu/centers/ccs/Pages/t\\_stakeholder.html](http://www.bc.edu/centers/ccs/Pages/t_stakeholder.html)

### **Green Mountain SRI Summit**

May 23-24, 2004, Vermont, USA.

Information available at [www.imn.org](http://www.imn.org)

### **European SRI Summit presented by IMN, Oslo, Norway**

June 8-9, 2004, Oslo, Norway

Details available on: [www.imn.org](http://www.imn.org)

### **SRI in the Rockies Conference**

October 7-10, 2004, Colorado, USA

Details available on: [www.sriintherockies.com](http://www.sriintherockies.com)