

### Table of Contents

1. Eurosif Update .....	1
2. EU Update .....	2
3. News from Eurosif members .....	2
4. News from SIFs.....	4
5. SRI news in Europe & elsewhere.....	5
6. Upcoming events .....	6

### 1. Eurosif Update

#### **Pension Programme continues to build momentum**

Following an initial phase focused on developing and refining the outline, the Pension Programme will now move towards field research and content creation. Eurosif members will be sent a summary of the outline in late May. Jérôme Tagger conducted an interview with IPE magazine on the Programme, to be published in its June issue. In an interesting development, local SRI practitioners and researchers within Spain have created a domestic working group for the Pension Programme in order to raise awareness and make a point on existing initiatives. SRI has become especially relevant in Spain after the announcement of the new government to create a domestic multi-stakeholders forum for the promotion of CSR and SRI, with a medium-term view to legislate.

#### **Retail Transparency Guidelines**

The Retail Guidelines are nearing their last phase of piloting as asset managers from across Europe have been testing them for the past 6-9 months. A last meeting will be held with Eurosif members of the Editing Team in the May/June time frame to discuss any final changes needed for the document. At that time, future plans for the Guideline will also be discussed (ie—distribution, verification, etc). Ultimately, there will be a permanent working group that follows the progress of the Guidelines across the nation states, thus assuring the sharing of information and learning across Europe.

#### **Eurosif Public Speaking Roles**

Eurosif participated in Eurocadres' Experts' & Follow up Workshop on Skills, Methods and Stakeholder Engagement in Responsible European Management (REM). Eurocadres is recognised as a European social partner, and with its 5 million membership, represents Professional and Managerial staff throughout Europe in all branches of industry, private and public services and administrative departments. The workshop was designed to increase the understanding between trade unions and stakeholders such as investors; Eurocadres will be planning follow up steps to build a more effective understanding between these two groups.

Matt Christensen has been asked to be a speaker at Forum Barcelona 2004: Globalisation and Economic Development - The role of Corporations in the 21st Century. This is a world event based on cultures and arts, designed to reflect on the tensions generated by globalisation through dialogue, debates and celebrations in general. Matt will speak on 22 July 2004 within the framework of the Dialogue on "Social Responsible Investments". Other speakers at the Forum include Bill Gates, Madeleine Allbright, Claude Bébéar, and many others.

[www.barcelona2004.org](http://www.barcelona2004.org)

#### **SRI Retail Database**

Eurosif has been assessing the practicality of forming a European SRI Database and an initial report will be completed soon that recommends a strategy for how to move forward. More will be discussed on this topic in future newsletters.

#### **New Eurosif website soon to be launched**

The Eurosif website is currently being redesigned with a view to enable easier navigation and privileged member-access to more detailed information. The new website will be launched in late May, and Eurosif members will be advised in due course of new functionalities and access requirements.

## 2. EU Update

### Transparency Directive Update

The Transparency Directive was passed in its first reading at the EU Parliament. In spite of Eurosif's best efforts, an amendment asking companies to provide information in their annual reports about their approach to non-financial risks was not included in the Directive. The conservative parties voted against the amendment due to their fear of increasing costs for companies as well as their belief that a common definition around SEE (social/environmental/ethical) criteria has not yet been properly established. Nevertheless, the positive outcome is that Eurosif has been asked by MEPs from the Green and Labour parties to play a role in the upcoming Corporate Governance discussions to be held in 2004-2005. Additionally, the more conservative parties expressed an interest to learn more about the issues around SRI. We envision having an improved dialogue (and results) with MEPs across the political spectrum in the next few years around SRI and corporate governance issues.

### Eurosif presence at the European Parliament

Eurosif has been invited to participate in the meetings of the European Parliament Pension Forum (EPPF). The objective of the EPPF is to be a platform for dialogue between the European Parliament and the pensions industry community. It aims to disseminate knowledge in order to promote an informed debate on pensions policy in the European Parliament. EPPF gathers industry experts, Trade-Union and Employer's representation, MEPs and representatives from the European Commission on a regular basis. Key issues to be discussed by the EPPF include: Sustainable pensions; Implementation of the occupational pensions directive; State of affairs in the accession countries; new regulations with an impact on the pension sector, such as the gender equality proposals. Jérôme Tagger took part in a meeting on April 24th in Strasbourg, where the issue of portability of pensions was discussed.

### Stakeholder Forum preparing its final report

The Multi-Stakeholder Forum on CSR has completed its round table meetings. Its task is now to draw conclusions which will feed into a follow-up Communication by the Commission due to come out later this year.

### EC Meetings around CSR

Eurosif has been invited to participate in two upcoming meetings at the EC:

CSR SME mentoring which will take place on 18th May 2004

CSR Case Studies Against Social Exclusion will be organized on 21st June 2004

### The EC launches public consultation on Company Law

The EC has launched a public consultation on its proposed changes to EU's Accounting Directives, aiming at improving transparency: it seeks to clarify the responsibility of companies board members in financial statements and non-financial information disclosure. The proposed changes also involve increased transparency in the relationships between companies and third-parties, and an increased disclosure of corporate governance practices. The consultation is open until 4th June 04 at <http://europa.eu.int/yourvoice/consultations>

## 3. News from Eurosif members

### HSBC and SRI Ethix join Eurosif as members

HSBC, a leading financial services player, is the first member to join all European SIFs at once. Thus, HSBC is now a member of both Eurosif and the other 7 national SIFs.

SRI Ethix, a SRI research company based in Sweden, becomes the first Scandinavian company to join Eurosif and brings a new perspective to the forum.

For more, please refer to their websites: [www.hsbc.com](http://www.hsbc.com) and [www.ethix.se](http://www.ethix.se)

### **CoreRatings secures new mandates**

CoreRatings is now offering its screening service to one of Denmark's leading pension providers SAMPENSION. SAMPENSION has EUR 8.8 billion assets under management and manages four pension funds: KP, StK:Pension (the public and private sector pension funds), PMF-Pension (The Pedagogical Assistants' Pension Fund) and Grafisk Pension (The Graphical Industries' Pension Fund). CoreRatings has also secured a new client agreement with Folksam Insurance in Sweden. For further information contact Gemma Taylor-Gee at [Gemma.Taylor-Gee@coreratings.com](mailto:Gemma.Taylor-Gee@coreratings.com).

### **A year after its launch, Dexia reports good performance from the Dexia Quant range of funds**

Since its launch one year ago, Dexia Quant has recorded a satisfactory performance. The Dexia Quant range of funds is managed through quantitative models developed and tested in-house by the quantitative management specialists at Dexia Asset Management. Fed by over 40 alpha factors likely to generate an out-performance, and each with a history of more than twelve years, these models select the most attractive stocks in each of the MSCI sectors (energy, finance etc).

### **Dexia Asset Management organises a series of SRI Roadshows in Europe in April-May 2004**

These SRI Roadshows are designed to provide information on SRI developments in Europe to professional investors. In cooperation with external experts, Dexia will present an overview of the SRI market in Europe, and share its latest research on sustainability and performance. Sustainable screening agencies will comment on recent developments.

*Calendar 2004 – DEXIA SRI Roadshows:*

- 20th April: Germany - Frankfurt
- 21st April: Luxembourg
- 29th April: Sweden - Stockholm
- 30th April: Austria - Vienna
- 5th May: Belgium - Brussels
- 6th May: France - Paris
- 12th May: Switzerland - Geneva
- 13th May: The Netherlands - Amsterdam

Press conferences will be organised on April 26 in Luxembourg and on April 27 in Paris and Brussels. For more information please see [www.dexia-am.com](http://www.dexia-am.com)

### **EiRiS sells Ethical Portfolio Manager Software to Two New Clients**

EiRiS has sold its Ethical Portfolio Manager Software to two new clients: L&P Financial Trustees and Setanta Asset Management in Dublin. L&P Financial Trustees are an independent financial advisory service and advise many charity clients on a range of financial and other topics including ethical investment. Setanta Asset Management is the investment subsidiary of Canada Life and manages over three Billion Euros on behalf of a range of investors.

### **ESADE sets up database providing CSR related information of 100 Spanish companies**

ESADE has launched a database containing CSR related information (financial and non financial information) of the largest Spanish companies. So far information about 100 companies is stored in the database, but the database is designed to hold information about up to 225 companies.

The database is accessible for free on [www.guiame.net](http://www.guiame.net) or [www.esade.edu/ipes](http://www.esade.edu/ipes).

### **Ethibel completes study on the European financial industry**

Ethibel has just completed a survey of European financial sector companies, taking a close look at the aspects of internal social policy, external social policy, environmental policy and economic policy. This study led to an update of the Ethibel register, which lists the best-in-class companies.

To access a summary of the study please visit [www.ethibel.org](http://www.ethibel.org).

### **HSBC launches Islamic pension fund**

HSBC now offers trustees a pension fund that meets the requirements of Shariah (Islamic law), becoming the first UK bank to do so. In July 2003 HSBC became the first UK bank to offer a Shariah-compliant home finance scheme and current account through its Amanah Finance division. For further information please see:

[www.assetmanagement.hsbc.com/index.jsp](http://www.assetmanagement.hsbc.com/index.jsp).

### **Insight designs new sales aids for the retail sector**

Insight Investment has produced two new sales tools focused on the retail market: one is about the Insight Evergreen and European Ethical Funds while the other introduces Insight's Responsible Investment engagement work, which applies across Insight's full retail fund range. For more information please contact [steve.waygood@insightinvestment.com](mailto:steve.waygood@insightinvestment.com).

### **Triodos receives UK Queen's Award for Enterprise**

Triodos Bank has won the prestigious UK Queen's Award for Enterprise. Triodos was the winner in the sustainable development category, for its groundbreaking work providing practical ways to make money benefit people and the environment. For more information e-mail [james.niven@triodos.co.uk](mailto:james.niven@triodos.co.uk).

### **WestLB completes a survey on sustainable investment and the insurance sector**

This study, called *'Insurers & Sustainability – Playing with fire'*, is particularly relevant as the insurance sector has a unique position with regards to sustainability: insurance companies have a dual role as investment vehicles and fiduciaries. The survey was initiated by the Asset Management Working Group of UNEP FI (Finance Initiatives of the United Nation's Environmental Programme). 10 European insurance companies were extensively interviewed on their approach to three key areas: climate change, geopolitical risks, and gene technology.

## **4. News from SIFs**

### **FFS - Italy**

#### **FFS launches "Finance for global sustainability" Programme**

The Forum per la Finanza Sostenibile has launched a medium-term programme aiming to involve financial institutions in the promotion of CSR policies for companies developing abroad. The kick-off meeting was held on April 19th, in Milan. The idea behind this initiative is that in developing countries the institutional and social context is weaker and therefore industrial companies have to adopt measures to prevent non-socially responsible conducts. Banks and other financial services providers are in the position to favour this process of awareness and responsibility. The programme is structured through a series of meetings involving the stakeholders (industry and NGOs).

### **UKSIF - UK**

#### **UKSIF / Just Pensions' Telecoms note highlights customer, community and environmental risks**

This latest in the series of notes for trustees will be available from 7th May. The publication of the note will coincide with the next UKSIF sector event to be held at DrKW at which Vodafone, mmO2 and BT will present.

For further information about the series or the related events please contact [info@uksif.org](mailto:info@uksif.org)

### **UKSIF - Pharma Futures Update**

Pharma Futures is now fully funded to autumn 2004, with grant funding having been secured from the Department for International Development, the Rockefeller Foundation and the Nathan Cummings Foundation. The scenario planning workshops, which will take place in late May and September, will be attended by the Working Group (senior, influential industry figures) and representatives from the global pension funds which have convened this industry-level engagement project. The list of external experts whose perspectives will provide critical input for the workshops is being finalised by the pension funds and the Just Pensions secretariat, and interviews with this group will commence shortly. The results of the scenario-planning process should be launched in a report this autumn.

For further information, please e-mail [cassie.higgs@justpensions.org](mailto:cassie.higgs@justpensions.org).

### **VBDO – The Netherlands**

#### **VBDO engagement activities boosts publication of sustainable reports among Dutch listed companies**

Through the persistent push of VBDO over the last nine years, sustainable reporting seems to win broad acceptance among the largest listed companies in the Netherlands. This year the number of companies promising VBDO to publish sustainable reports (using GRI guidelines) in future is higher than ever. Among those companies are publishing companies Wolters Kluwer and VNU, food company CSM, photocopier Océ, postal company TPG, and chemical company AkzoNobel who had previously even stepped back from sustainable reporting but now plans to go forward using the GRI guidelines.

### **Japan**

#### **Japanese Social Investment Forum Launched in Japan – Further information**

The Social Investment Forum Japan (SIF-Japan) was launched in November 2003 and now runs as an independent non-profit organization. SIF-Japan aims to develop and popularize Socially Responsible Investing (SRI) in the Japanese market. Its membership includes financial institutions, corporations, academics, non-governmental and non-profit organizations, and individuals.

For more please see [www.japanfs.org](http://www.japanfs.org).

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

### **French SRI reaches E4.5bn**

The size of socially responsible investments in France reached 4.5 billion euros at the end of March from 4.4 billion euros at the end of December, and 2.8 billion euros nine months ago, reveals a report by Novethic. French and foreign equities shares are the dominant asset class of French SRI with 2.3 billion euros, 54% of the market. Balanced funds come second with 27%, and bonds and cash funds make up 16% of the market. Funds of funds represent one per cent.

"Even if the market stays very heterogeneous, the beginning of the year clearly confirms asset managers' tendency to increase the size of SRI," said Novethic, adding that in the first quarter of 2004 the number of SRI funds increased by 10%, from 108 to 118.

For more, please see [www.novethic.fr](http://www.novethic.fr).

### **Survey Analyses Disclosure on Corporate Social Responsibility (CSR) by Listed Companies in Hungary**

The Hungarian Environmental Economics Center (MAKK) has released its first "*Survey of Reporting on Corporate Social Responsibility (CSR) by Listed Companies in Hungary*". This is part of a wider regional initiative implemented by East-West Management Institute's Partners for Financial Stability (PFS) Programme, which studies CSR reporting in Eastern European countries. The survey is based on annual reports and website information of 27 companies listed on the Budapest Stock Exchange, and reviews corporate governance and environmental and social policies. An interesting finding is that 89% of Hungarian listed companies disclose relevant CSR information.

The survey is available online in English at [www.ewmi.hu/capitalmarkets\\_research.php](http://www.ewmi.hu/capitalmarkets_research.php) and [www.makk.zpok.hu](http://www.makk.zpok.hu).

### **SRI World Group Unveils OneReport™, revolutionizing the Corporate Sustainability Reporting Process**

The recently launched OneReport™s a global electronic reporting network which helps companies to report their social, environmental, economic and corporate governance information more efficiently. Information This will also enable easier access to reported information for third parties.

For more please see: [http://asp.sriworld.com/asria/press\\_releases/article.cgi/2658.html](http://asp.sriworld.com/asria/press_releases/article.cgi/2658.html)

### **Awards Ceremony for European Sustainability Reporting Excellence held in Brussels**

The 8th European Sustainability Reporting Awards ceremony was held on 5th April 04 in Brussels. Three European firms beat 26 other national Award winning organisations from 15 European countries when they received awards for excelling at reporting on the social and environmental impacts of their activities. Awards winners in the eighth year of the European Sustainability Reporting Awards (ESRA) were Novo Nordisk A/S (Denmark) and Aalborg Portland A/S (Denmark). Slibverwerking Noord-Brabant (Netherlands) received a Commendation.

Speaking at the ceremony were Odile Quintin, Director General, DG Employment, Industrial Relations and Social Affairs at the European Commission and Richard Howett. Entries for both Awards - for Best Sustainability Report and Best Environmental Report - were judged by an expert panel including auditors, consultants and academics.

### **The Netherlands – Investors review their voting policies at AGMs with Tabaksblat Committee Code (Corporate Governance Committee Code)**

Several main stream investors have added long term, sustainable objectives in their voting policies at AGMs. Recently ING came out with their voting policies for the companies in their portfolio. The ING global voting policy states: "To ensure long-term performance for the shareholders, portfolio companies should act responsibly to all stakeholders. This includes recognition of the impact of business decisions on the environment, as well as recognition of the impact of their business decisions on social and human rights issues in the regions in which they do business". Robeco and Fortis have also announced that they would include sustainable issues like CSR reporting in their voting policies.

### **European firms take ethical lead, according to new research**

European companies are leading the way in corporate social responsibility, with many of their US counterparts failing to consider it during investment decisions, writes Rachel Fielding in an article in Accountancy Age (April 15, 2004), referring to a study by US-based Echo Research. This study found a growing focus on CSR by non-US companies, 68% of which think CSR contributes to better risk management while only 57% rely on shareholder pressure to drive socially responsible investing. In contrast, a staggering 88% of US financial institutions do not take a company's contributions to local, national and international communities into account in their analyses of corporate performance and value – or ultimately, their investment choices.

## **6. Upcoming events**

### **Third Annual Ethical Corporation Conference in Europe**

Executives from major international corporations will convene in London to discuss "What's the Point of Corporate Responsibility?" at the third annual conference sponsored by *Ethical Corporation Magazine*.

May 11-13, 2004, London, England

[www.ethicalcorp.com/content.asp?ContentID=550](http://www.ethicalcorp.com/content.asp?ContentID=550)

### **EIRIS conference 'How should human and social rights be taken into account for the extra financial analysis of companies' (in French)**

May 12, 2004, Paris, France

### **European Roundtable on Sustainable Consumption and Production**

May 12-14 2004, Bilbao, Spain

Download program from: [www.erscp2004.net/downloads/erscp2004-Program-Feb.pdf](http://www.erscp2004.net/downloads/erscp2004-Program-Feb.pdf)

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

May 20-21, 2004, Toronto, Canada

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

### **Green Mountain SRI Summit**

May 23-24, 2004, Vermont, USA.

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

### **Scandinavian Institutional Investing and Corporate Governance and Investor Responsibility Summits**

June 8-9, 2004, Grand Hotel, Oslo, Norway

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

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

July 15-16, 2004, Singapore

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

### **Forum Barcelona 2004: Globalization and Economic Development - The Role of Corporations in the 21st Century**

July 22, 2004, Barcelona, Spain

[www.barcelona2004.org](http://www.barcelona2004.org)

### **Ethical Corporation Asia 2004 Conference**

September 2004, Hong Kong

[www.ethicalcorp.com/content.asp?ContentID=550](http://www.ethicalcorp.com/content.asp?ContentID=550)

### **SRI Course for Religious Organisations in Spain**

September 17-18, 2004, Salamanca, Spain

### **UNEP Finance Initiative – Green Power Central and Eastern Europe**

September 28-29, Budapest, Hungary

### **Ethical Corporation USA 2004 Conference**

October 6-7, 2004, New York, New York, USA

[www.ethicalcorp.com/content.asp?ContentID=550](http://www.ethicalcorp.com/content.asp?ContentID=550)

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

October 7-10, 2004, Colorado, USA

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

### **Corporate Social Reporting Europe 2004**

November 2004, London, UK