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1. Eurosif Update

Retail Transparency Guidelines finalised

The retail transparency guidelines have been completed and finalised. Interested signatories should contact Eurosif for instructions on how to proceed. The guidelines will be published in October and will be available in English, French, German and Italian. A press release will accompany the publication of the guidelines.

Pension Programme: toolkit enters final stage

The pension programme toolkit, designed to help trustees better understand and integrate SRI into their pension fund's investment strategy, is entering its final production stage. The advisory council discussed the last draft on September 7th. The document will be presented at various conferences and events across Europe this fall. For more information, contact jeromet@eurosif.org

Eurosif advisory council meeting to be held on 10th November 04

Eurosif members please note that the Eurosif Advisory Council Meeting will take place on Nov 10th in Schiphol (Amsterdam, The Netherlands). We are sending out more information about this meeting to our members this month. If you have any questions please contact sarahr@eurosif.org.

Eurosif Public speaking events

Barcelona 2004 - In July Matt Christensen was a speaker at Forum Barcelona 2004 'Globalisation and Economic Development - The role of Corporations in the 21st Century'. This world event was designed to reflect on the tensions generated by globalisation through dialogue, debates and celebrations in general.

Matt spoke within the framework of the Dialogue on "Social Responsible Investments". Other speakers at the Forum included Bill Gates, Madeleine Allbright, Claude Bébéar, and many others.

For more please see:

<http://media.barcelona2004.org/en/nota.html?id=2533>

ORSE: Observatoire sur la responsabilité sociétale des entreprises (Observatory on society responsibility of businesses) - In July Eurosif addressed an ORSE working group looking at the future of extra-financial rating agencies, and gathering investors, non-financial rating agencies, companies and professional bodies.

Eurosif has been invited to participate to the EU CSR Conference to be held in Maastricht on Nov 8-9th. More on this in future newsletters.

2. EU Update

EU's sustainable development strategy: consultation open until 31 October 2004

The sustainable development strategy was adopted in 2001 by the head of states with a view to achieve a better quality of life for everyone, now and in the future. It aims to ensure that economic growth, environmental quality and social inclusion go hand-in-hand, thereby increasing citizens' welfare.

The commission has now launched a consultation on EU's sustainable development strategy. The results of the consultation will serve as an input to the mid-term review of the strategy, which should be completed under the new Commission by January 2005 ; it will include an assessment of progress made since 2001 and an action plan.

The consultation is open to the public at large, stakeholders and experts in the field.

Deadline for contributions: 31 October 2004

For more on this topic, and to take part in the consultation:

http://europa.eu.int/comm/sustainable/pages/consult_en.htm.

Reactions to final report of Multi-stakeholder forum on CSR

As outlined in Eurosif July newsletter, the multi-stakeholder forum on CSR has delivered its final conclusions. Eurosif members can also refer to the July Eurosif EU Insider issue (membersonly).

Some NGOs have criticised the conclusions of the report, expressing the view that more emphasis should be put on proactive action by public authorities and on the mandatory dimension of some of the recommendations (reporting for example).

The Commission is expected to publish a follow-up communication to the conclusions of the Forum at the end of 2004 or early 2005.

Bolkestein: pension reform is up to member states

In a speech delivered in Stockholm on 2nd Sept 04, the European Commission's outgoing internal market and taxation commissioner Frits Bolkestein expressed the view that only EU member states – and not the EU - can reform Europe 's pension systems. Referring to the 'Lisbon Strategy' for growth in the EU, he said:

"Success or failure of the Lisbon Strategy (...) does not depend on what happens – or not as the case may be – in Brussels. It depends, first and foremost, on what reforms Member States themselves undertake (...) Only Member States can reform their labour market policies to get more people from welfare into work. Only Member States can strengthen their health and pension systems."

[Read the full speech](#) on Europa website.

3. News from Eurosif members

Eurosif welcomes Fidelity as a new member

Fidelity is the world's largest fund management organisation, with Fidelity International Limited covering its non-US business. Fidelity Pensions Management was set up in 1986 by its UK office to specifically serve the pension market.

For more information, see www.fidelity.co.uk

Henderson: ethical clients expectations reviewed

Henderson has been surveying the expectations of ethical investors, and about 1500 investors in the Henderson ethical fund took part in the study.

The research found three groups of investors, roughly equal in size:

- investors focused on avoiding companies that are socially damaging or harmful to the environment: the classic ethical approach (36%)
- investors wishing to invest in companies whose activities impact positively on the environment or society (33%)
- a last group of investors less concerned about sectors they have invested in as long as companies can demonstrate a responsible approach (31%)

For more on this please download [July edition of SRI Changes 2004](#) (PDF) from Henderson website.

EIRiS working with Martin Currie

EIRiS (Ethical Investment Research Services) has started working with Martin Currie, the Edinburgh-based specialist investment management group managing some £7.7 billion for clients (including institutions, charities, foundations, pension funds and investment trusts).

For further info see, www.eiris.org

ESADE publishes its annual observatory on SRI in Spain

ESADE has published its fourth Observatory on socially responsible investment in Spain: socially responsible investment has increased in 2003, in part fuelled by the launch of a new product incorporating SRI criteria and commercialised as a guaranteed fund. Excluding the impact of this new product, assets under management in SRI still rose by 33% over 2003 ; however the number of participants went down by 39% in the same period.

One of the most notable developments in the Spanish SRI market in 2003 is the launch of the first institutional investors fund. In addition, two of the largest pensions plans in Spain incorporated SRI policies into their portfolio screening. Development in the institutional field is key to the development of SRI in Spain, and as the report notes, 'the SRI sector has to be pulled out of the market niche linked to social or religious sector, with SRI criteria being incorporated into traditional financial markets'.

Please [see Esade website for more information](#)

Oikocredit: Tax Advantage for ONF Investors

The Oikocredit Nederland Fonds (ONF) was officially recognized in July by the authorities as a Social Ethical Investment Fund. As a consequence Dutch private investors in this ONF may benefit from a tax advantage. With certain limitations, they are now granted a fiscal bonus of 2.5 %. The past years Oikocredit paid out the maximum allowed dividend of 2%. The financial return on shares in the ONF may thus be up to 4.5% . "With a high social return and a considerable financial return, it becomes even more attractive to give people a chance to a fair future", commented Leendert Bos, Marketing Manager of Oikocredit Netherlands.

For more information please visit www.oikocredit.org

SAM – 2004 Sustainability Leadership awards announced

Antony Burgmans (Unilever) and Robin Cornelius (Switcher) win the fourth SAM/SPG Sustainability Leadership Award.

For more please see www.sam-group.com/html/main.cfm

4. News from SIFs

FFS – Italy

Pension reform bill approved

Rome 29/7/04. The pension reform bill has been finally approved by the Camera dei Deputati (Lower House), after the "green light" of the Senate and has become law. The new piece of legislation, drafted and strongly promoted by the Forum per la Finanza Sostenibile, includes a UK-style disclosure regulation for all second and third pillar pension funds. Given the complexity of this reform, the Parliament has adopted the so called "delegation procedure", which means that the bill gives a framework and contains general principles, but the specific rules will be set by the Government with a decree to be issued within one year. The FFS will therefore cooperate with the legislative departments of the Ministries of Economy and Social Affairs in order to have the principle phrased in the most proper way.

VBDO – The Netherlands

Socially responsible savings and investments increased in 2003 by 18%

A research by VBDO shows that in 2003 the volume of private investing and savings has reached 7bn Euro in The Netherlands. This marks a growth of 18% compared to 2002 while the mainstream market of saving and investments only grew by 9%.

The growth of sustainable savings and investments owes to a large part to sustainable savings, which grew 20% to €5.3 bn. Sustainable investing grew 12% to €1.8 bn.

As at the end of 2003, 27 different sustainable savings and investing funds were available. Two ethical banks, Triodos Bank and ASN Bank, also offer a large range of savings products. The market share of sustainable investing in The Netherlands has increased from 1.7% in 2002 to 1.8% in 2003. and that of sustainable savings from 2.6% in 2002 to 2.9% in 2003.

The report 'Sustainable savings and investments in the Netherlands 1987-2003' is available at in Dutch www.vbdo.nl (the English version will soon become available).

For more information: gerdien.dijkstra@vbdo.nl

UKSIF – UK

Retail Revolution Phase 2 funding confirmed from Friends Provident, Insight, Jupiter and Morley

Phase 2 (Jan 2005 – June 2006) will focus on dissemination of the Adviser Toolkit to IFAs across the country, and related regulatory work. In addition, we are seeking charitable funding to extend the education and awareness raising part of the Retail Revolution. This will be based on www.investability.org, which was launched in July.

ASrIA – Asia

International SRI market research available on ASrIA website

An SRI market report comparing SRI in the US, UK and Japan is available on the ASrIA website. This survey was commissioned by Japan's Environment Ministry and looks at both institutional and retail investors' views.

[Download the report](#) from the ASrIA website.

5. SRI news in Europe & elsewhere

The Netherlands: draft pension fund governance code

The Dutch Association of Industry-wide Pension Funds has drafted a pension fund governance code, that has been sent to its members for comments. The prudent person principle remains at the core of the code, which is based on the Dutch corporate governance code. The association also proposes that a supervisory body made up of employers, employees and pensioners be established to control pension funds boards. For more on this please see www.ipe.com/article_default.asp?article=17242

Belgian Code on Corporate Governance work nears its completion

The Committee on Corporate Governance is working on a code on Corporate Governance for companies quoted on the Belgian stock market. This project is an initiative of the 'Commissie voor het Bank, Financie- en Assurantiewezen' (CBFA), the 'Verbond voor Belgische Ondernemers'(VBO) and the 'Instituut voor de Bestuurders' (IvB). It is a code based on principles drawn from best practice, but it is left up to the user to adapt it to its own situation. There are two mandatory transparency tools: 'The Corporate Governance Declaration' and a chapter on Corporate Governance in the annual report.

The final text will be published at the end of 2004, and it will be put into practice for the year 2005.

For further information: www.corporategovernancecommittee.be/en/home/

France – France's FRR to launch governance guidelines

The French pensions reserve fund, the Fonds de Réserve pour les Retraites, is to launch a set of guidelines for corporate governance by the end of the year. Guidelines will cover aspects of corporate practice as disclosure, board composition and independence as well as the equal treatment of shareholders.

In a resolution in April 2003, the supervisory board stated "its desire that the FRR be actively involved in promoting good corporate governance practices in the companies in which the fund may invest".

France – SRI funds survey published

Novethic has published a survey on SRI funds in France.

Download this survey in French (PDF):

www.novethic.fr/novethic/upload/com/portefeuille_ISR_francais.pdf

UK – FSA gives go-ahead to British Islamic Bank

The first fully Islamic British bank has been given the go-ahead by the Financial Services Authority to offer a range of consumer banking products compliant with Islamic law to the 1.8m Muslim customers in the UK. The Bank will start operating this month.

ISO to develop an International Standard for social responsibility

After substantial stakeholder consultation, the International Organisation for Standardisation started work on the development of a global standard on social responsibility. The objective is to produce "a guidance document, written in plain language which is understandable and usable by non-specialists" and not intended for use in certification.

For more please see: www.iso.org/sr

U.S. mutual funds must disclose proxy votes

Since Aug 31, all U.S. mutual funds have to report to the Securities & Exchange Commission and make available to their shareholders the proxy votes they cast.

These reports will show how these large institutions vote on corporate governance, social and environmental issues, such as classified boards, executive compensation, and business risks associated with global warming.

Shareholder advocates have welcomed the new rule, but some say it is not perfect because funds will not be forced to post proxy votes on their Web sites. The rule lets funds either disclose their proxy votes online or "upon request."

Relevant recent articles

'Catching up the cost of global warming' - The New York Times, July 25 2004 – Danny Hakim

This article looks at the trend towards tighter regulations to reduce global warming and improve fuel efficiency, and how sector financial analysts are starting to take this into account.

'The Big Picture: Big Demand for SRI, but with an Asian Twist' – The Financial Times, July 19 2004 – Florian Gimbel

Demand for SRI in Asia is strong and growing, with Australia leading the way, and Japan and Hong Kong catching up.

Study Finds MBA Graduates Seek Ethical Employers – Greenbiz, August 5 2004

A new study finds that 97% of MBA graduates are willing to take 14% pay cut to work for ethical businesses www.utne.com/webwatch/2004_160/news/11317-1.html

6. Upcoming events

SRI Course for Religious Organisations in Spain

September 17-18, 2004, Salamanca, Spain

Download details (PDF 160kb): leonxiii.upsam.net/eventos/doc_eventos/Salamanca2004.pdf.

The Challenge of Sustainable Growth: Integrating Societal Expectations in Business. EABiS 3rd colloquium

September 27-28, 2004, Vlerick Management School, Gent, Belgium

See: www.vlerick.com.

Sustainable Corporate Governance: Institute for Ecological Economy Research (IOEW) Summer Academy

September 27-30, 2004, Potsdam, Germany

See: www.ioew.de/governance/index.html.

UNEP Finance Initiative – Renewable Energy Finance Forum "Green Power Central and Eastern Europe"

September 28-29, Budapest, Hungary

See: unepfi.net/mtgs/upcom.htm.

Ethical Corporation USA 2004 Conference

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

www.ethicalcorp.com/content.asp?ContentID=550.

SRI in the Rockies Conference

October 7-10, 2004, Colorado, USA

Details available on: www.sriintherockies.com.

Forum 2004 - Solidarity finance and responsible consumption: public and community commitment to social cohesion

Forum organised by Social Cohesion Development Division, Council of Europe

November 4-5, 2004, Palais de l'Europe, Strasbourg.

CSR/EU Conference

Nov 8-9, 2004, Maastricht, The Netherlands

Eurosif will participate in this event – More details in Eurosif October newsletter.

Eurosif Advisory Council Meeting (Eurosif members only)

November 10th, 2004, Schiphol (Amsterdam), The Netherlands.

Global Forum on Sustainable Development

November 12-14, 2004, Paris, France

See www.equitable-forum.org/2004/index.html.

Triple Bottom Line Investing (TBLI) 2004

November 11-12, Amsterdam, The Netherlands

To see the program or register, click:

https://www.tbli.org/index.php?referer_code=eurosif

For more information or to order the brochure:

e-mail <mailto:gabrielle@tbli.org> or call +31 (0)20 4286752

Eurosif is a TBLI Network Sponsor.

Corporate Governance 2004: Profits and principles in the new business environment

15-16 November, London.

See: www.riia.org/CorporateGovernance2004.

Non-Financial Reporting: Harnessing the Benefits

November 23 - 24, London.

See <http://www.ethicalcorp.com/reporting>.