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## 1. Eurosif Update

### **Eurosif produces first sector report on Hotels/Tourism**

The first in a series of sector reports is now available. Eurosif has partnered with Vigeo, a European leader in the field of CSR and SRI evaluation and rating, to produce a detailed analysis of the social and environmental issues as well as the potential risks and opportunities for companies' long-term returns in the hotel and tourism sector. The issues in the report were debated and refined by this report's Steering Committee which included a mixture of asset managers and NGOs from Banco Fonder, Insight Investment, and WWF Italy.

The sector reports aim at helping policy makers, mainstream asset managers, companies, and pension fund trustees understand risks that lie outside the realms of traditional financial analysis, but may influence investments.

For more information please contact Sarah Clawson at [sarahc@eurosif.org](mailto:sarahc@eurosif.org).

### **European Commission awards Eurosif with renewed funding**

Eurosif has been awarded a bid from the European Commission to continue its transparency guidelines development, update its institutional SRI study and to have a first look at the growing European sustainable venture capital/private equity market.

### **Retail Transparency Guidelines**

Eurosif member SAM is the latest to join Eurosif transparency guidelines' signatories. The UK respondents have now made their responses available online. Following this, the Ethical Investment Association (EIA) - a training body for IFA's specialising in ethical investment - plan to collate, analyse and rate fund managers' responses to the guidelines, in order to make it quicker and easier for advisers to utilise the data in their fund selection process. In addition, several research providers, including EIRiS, Ethical Screening and Synaptic Systems plan to ask whether or not a fund is a signatory to the guidelines in their data collection on screened SRI funds.

### **Trustee Toolkit implementation started**

The Netherlands have welcomed the first steps of Eurosif trustee training sessions. On May 19th, VBDO's Piet Sprengers spoke on behalf of Eurosif at a VB training event. (VB is the Dutch Pension Funds Association). Eurosif is collecting data on participants' perception of SRI and will produce a report by the end of the year.

### **Public speaking events**

Matt Christensen took part in a panel on June 7th at the IMN Conference in Stockholm, discussing how pension funds are taking a deeper look at corporate governance.

On June 10th, Jérôme Tagger participated in a Workshop on "CSR and the Finance Sector" in London. The goal of the seminar was to prepare the upcoming UK EU presidency's CSR conference in December this year.

### 2. EU Update

#### **Current EU programmes under Eurosif's eye:**

Eurosif is currently exchanging with EU bodies and lawmakers around three themes: a response to the Green Paper on Financial services, the second consultation on cross border voting rights and the state of the annual accounts Directive. More information will be made available to members in due time. Past developments can be found in the Members-Only section of our web site.

Follow this link for [DG Internal Market papers](#) (Europa website).

#### **Anti-money laundering directive adopted**

The Council of Economic and Finance Ministers has adopted the Third Directive on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. The Directive applies to the financial and other key services sectors and also covers all providers of goods, when payments are made in cash in excess of €15.000. Those subject to the Directive must cooperate in the fight against money laundering by taking various measures to establish customers' identities, report suspicions and set up preventive systems within their organisations.

The Commission proposed the Directive on June 30th, 2004. It was amended and approved by the European Parliament in May 2005, without the need for a second reading by either the Parliament or the Council.

Member States have agreed to implement the Directive within two years after its publication in the European Union's Official Journal, which will take place towards the end of 2005.

Follow this link for [more on Anti-money laundering directive](#) (Europa website).

#### **Corporate Governance: new group to advise the Commission on strengthening shareholders' rights and modernising company law**

The European Commission has set up an expert advisory group to provide detailed technical advice on preparing corporate governance and company law measures. The group comprises twenty non-governmental experts from various professional backgrounds (issuers, investors, employees' representatives, academics, regulated professions, etc.) with particular experience and knowledge of the subject. The group's advice will supplement public consultations on Commission's initiatives.

The technical work of this group will be complementary to the more strategic role in the convergence of corporate governance in Europe carried out by the recently created European Corporate Governance Forum.

[More details of the Commission's work on company law and corporate governance](#) (Europa website).

#### **2007 to be "European Year of Equal Opportunities for All"**

The European Commission has designated 2007 as 'European Year of Equal Opportunities for All' as part of a concerted effort to promote equality and non-discrimination in the EU. The European Year is the centrepiece of a framework strategy designed to ensure that discrimination is effectively tackled, diversity is celebrated and equal opportunities for all are promoted.

The framework strategy and the European Year follow on from a wide public consultation conducted in 2004 on the basis of the Commission's Green Paper Equality and non-discrimination for all in an enlarged EU.

[More information on 'European Year of Equal Opportunities for All'](#) (Europa website).

#### **Responsible Competitiveness Conference papers available**

On 19th April 2005, DG Employment, in association with AccountAbility, organised a conference to explore the concept of Responsible Competitiveness. The conference explored the public policy challenge to create conditions where competitiveness is enhanced by taking explicit account of social, economic and environmental issues. It attracted more than 300 participants, from EU institutions and Member States, as well as from businesses, trade unions, NGOs and the media.

[Presentations and documents from the Responsible Competitiveness Conference](#) (Europa website).

### **New information on national public policies on CSR in the EU**

Information about public policies on CSR in EU Member States can now be accessed via a simple online matrix - this information can be extracted by clicking on the country name (columns), the title of a policy area (rows) or the ticks (checks) in the intersecting cells. Click here for the new [Compendium on national public policies on CSR in the European Union](#) (Europa website).

### **3. News from Eurosif members**

#### **Eurosif welcomes new member: Mercer Investment Consulting – France**

Mercer Investment Consulting is a leading investment consultant interested in actively participating in SRI developments, in particular for institutional investors in Continental Europe. Mercer Investment Consulting already participates with think tanks in this realm.

#### **EIRIS Foundation participates in launch of new investment guide for charity trustees**

Launched jointly by the EIRIS Foundation (parent body of Ethical Investment Research Services), NCVO (the National Council for Voluntary Organisations) and UKSIF (UK Social Investment Forum), this new guide aims to assist the increasing number of trustees who are adopting or updating responsible investment strategies on behalf of their organisations. It provides case studies and practical advice.

For more, please visit [www.eiris.org](http://www.eiris.org)

#### **EIRIS research to power pioneering new SRI hedge fund**

Ethical Investment Research Services (EIRIS) have been chosen by Strategus to provide social, environmental and other ethical (SEE) research for a pioneering new SRI hedge fund which is to be launched by Armajaro Asset Management LLP later this summer.

#### **Henderson's SRI Quarterly newsletter is available**

This edition introduces the re-launched Industries of the Future Fund, and includes a feature on Henderson's report "Getting What You Pay For: Linking Executive Remuneration to Long Term Corporate Success".

For more, please download (from Henderson's website):

[Henderson's SRI Quarterly newsletter](#) [PDF, 170kb]

#### **HSBC CSR updates**

HSBC launched a guideline governing its project finance activities in the freshwater infrastructure arena: this guideline sets out the transactions that HSBC will and will not support. It is based on widely used international sustainable development standards adopted by stakeholders including the World Commission on Dams (WCD) as well as other industry participants, development agencies and major environmental non-governmental organisations.

In addition, HSBC published information on its progress in implementing the Equator Principles (adopted by HSBC in 2003) and released its 2004 CSR report.

For more please see [www.hsbc.com/csr](http://www.hsbc.com/csr)

#### **Insight Investment's report on governance and corporate responsibility issues available**

Highlights from this latest bulletin include a response to the supposed 'governance backlash', an update on the OFR, the potential financial implications of the proposed EU Chemicals Regulation (REACH).

[Click here to download the full Insight report](#) [PDF, 2.1MB, Insight website].

#### **KLD's Domini 400 Index Marks its 15th Anniversary**

The landmark Domini 400 Social<sup>SM</sup> Index turned 15 this month. In its 15 years, the Domini 400 Social Index has marked the growth of social investing from a tiny niche to what the US Social Investment Forum estimates is a \$2 trillion market:

[www.kld.com/newsletter/Newsline/0505Newsline/0505KLDIndexes.html](http://www.kld.com/newsletter/Newsline/0505Newsline/0505KLDIndexes.html)

### **Oikocredit joins 3iG**

The mission of the International Interfaith Investment Group, 3iG, is "to contribute to a just and sustainable society through responsible investment in a spirit of genuine inter-faith dialogue and co-operation."

[www.3ignet.org/](http://www.3ignet.org/)

### **Standard Life selected by the Environment Agency Pension Fund**

Leading investment house Standard Life Investments today confirmed its selection by the Environment Agency Pension Fund to manage a segregated specialist UK equity portfolio valued at £185 million.

## **4. News from SIFs**

### **Forum NG – German Speaking Countries**

#### **Forum NG successfully lobbies for broader pension SEE disclosure in Germany**

The German Parliament has approved a law which introduces social, ethical and environmental disclosure for large parts of the corporate pensions schemes. While in the past disclosure applied only to fragments of the market, it now will be obligatory for "Pensionsfonds", "Pensionskassen" and "betriebliche Direktversicherungen" (all 2nd Pillar), that is to say for large parts of the second pillar of the pensions system. The law still has to be approved by the Bundesrat (Second Chamber), but the Forum NG are optimistic that this will happen.

[www.forum-ng.de](http://www.forum-ng.de)

### **FFS – Italy**

#### **New bill in Italy on shareholder protection**

The Camera dei Deputati (Lower House of the Parliament) has passed a bill aimed at protecting investors from frauds (so called "Parmalat Act"). The FFS succeeded in inserting a transparency measure concerning socially responsible financial products: financial service providers will be required to explain with further information, besides that which is already mandatory, why the product should be considered "socially responsible". The draft is now to be examined by the Senate.

#### **FFS delivers speech at Unimed Conference**

FFS was invited to give a speech on "pension funds, SRI and the role of unions" at the Unimed conference on "the European constitution and the Lisbon Agenda" (Rome, May 16, 2005). Unimed is the organisation that gathers the banking workers unions of the Mediterranean countries. The presentation stimulated an interesting debate both on technical (performances of SRI, fiduciary duties of trustees) as well as political aspects (conflict of interests, involvement of beneficiaries...)

#### **FFS seminar**

Taking advantage of the Eurosif's board members being in Milan, FFS organised, in cooperation with Fondazione ENI Enrico Mattei, a seminar on "SRI in Europe: current situation and trends". The panelists provided a large audience with information on their domestic markets and compared both the cultural and practical aspects of SRI across Europe.

[www.finanzasostenibile.it](http://www.finanzasostenibile.it)

### FIR – France

#### **FAIRE2005 - European Responsible Investment Forum**

The FAIRE 2005 - Annual Forum for European Responsible Investment will take place on June 21st & 22nd 2005 at the Palais Brongniart in Paris. The FAIRE is a free event for investors which focuses on 2 days of company presentations & “one-to-one” meetings with investors on material extra-financial / SRI issues. Company presentations will be divided into 3 platforms, of which 2 are sector-based: Chemicals, Oil & Gas. Adidas, Akzo, Areva, BASF, Bayer, Ciba, Deutsche Telekom, Norsk Hydro, Premier Oil, Repsol, Statoil, and Total will present their sustainable management strategies and practices to the European community of (extra-) financial investors. Three round-tables on the exercise of voting rights in AGM, tools to better evaluate environmental performance and human rights will add perspective to these two days of dialogue and exchange between SR companies and investors.

For more information:

[www.frenchsif.org/en/activities/events/#faire2005](http://www.frenchsif.org/en/activities/events/#faire2005)

Register by sending an email to: [perrine.dutronc@frenchsif.org](mailto:perrine.dutronc@frenchsif.org).

#### **Europe's First research award on finance and sustainability**

The French SIF proudly presents Europe's First research award on finance and sustainability. It aims at supporting French and European research, from students or researchers. The 2005 edition will cover three kinds of work: Masters Thesis, PhD Thesis, and published article. The reward is €5,000 for each category. The language of research work can be French or English. For the three award categories, research projects will be judged on the following criteria:

Quality of reflection on topics of finance and sustainability,

Originality of presented topic and approach,

Quality of research work from the academic point of view,

Interest of contribution from investors', corporates' and/or stakeholders' point of view.

The application file must be sent before October, 1st 2005. Steps to follow and rules and regulations are available on line: [www.frenchsif.org](http://www.frenchsif.org).

Supported at a European level by Eurosif, and by Paris Europlace, this initiative is sponsored by: AGF Asset Management, Axa Financial Protection, La Caisse des Dépôts et Consignation, Carrefour, Dexia, Oddo Securities and Suez.

### UKSIF – United Kingdom

#### **New UKSIF Chief Executive steps in**

Eurosif warmly welcomes Penny Shepherd, MBE, who has taken up her new position as UKSIF Chief Executive last month.

#### **9th Just Pensions sector note now ready, to be presented in Paris, July 11<sup>th</sup>**

This note covers potentially material social, ethical and environmental risks faced by extractives companies. Goldman Sachs has organised for fund managers and analyst members/affiliates of Eurosif and UKSIF to join a IPIECA industry-led debate on the future of sustainability reporting in this sector in Paris in July, where this sector note will be distributed and debated. The note is available now from [www.uksif.org](http://www.uksif.org). If you would like to attend the event, please e-mail [Sarah.Forrest@gs.com](mailto:Sarah.Forrest@gs.com)

### US SIF – USA

#### **Call for ‘topic tables’ leaders at the SRI in the Rockies conference**

The Social Investment Forum offers the opportunity for participants at the SRI in the Rockies conference (Sept 25-28 in Snowbird, Utah, USA) to lead discussions on a wide variety of issues related to socially responsible investing. These "topic tables" are informal, voluntary gatherings and this year there will be both a lunch and breakfast gathering.

For more information, please contact [sylviapanek@socialinvest.org](mailto:sylviapanek@socialinvest.org) by August 15th, 2005.

[www.sriintherockies.com](http://www.sriintherockies.com).

### Social Investment Organization – Canada

### **Survey shows SRI in Canada up 27% in 2 years**

A survey released by The Social Investment finds that socially responsible investment in Canada has increased 27% in two years and has grown to \$65.5 billion. The report, entitled Canadian Social Investment Review 2004, shows that there has been solid growth across most categories of SRI, including asset management, retail investment funds, community investment, shareholder advocacy and socially responsible lending.

Download the report here: [www.socialinvestment.ca/SIReview04.pdf](http://www.socialinvestment.ca/SIReview04.pdf) [PDF, 1.6MB].

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

### **New rules for Pension Funds in Spain**

New rules in Spain are set to reorganise the relationship between Asset Managers and Pension Funds. Included is a requirement to clearly specify the Pension Funds' Investment Policy (which some view as including SRI). Also included is a requirement for "direct" share ownership as opposed to investing in closed funds (which are capped at 5% of portfolio). Finally, Pension Funds will have to exercise their voting rights. This could spark a new era in responsible investment in Spain. Developments remain to be seen.

### **France - French reserve fund moves further towards SRI**

The €19bn French reserve fund, the Fonds de Réserve pour les Retraites, has moved further towards socially responsible investing. It has chosen Bfinance to help with its tender for active SRI mandates, and a legal firm to assist in the writing of documents related to the selection process.

The FRR's plan is to launch the manager selection process before summer 2005.

### **UK - Paul Myners calls for transparent voting**

Paul Myners, author of a 2001 report on institutional investment, chairman of retailer Marks & Spencer and former chairman at asset manager Gartmore delivered a speech stating that the government should require institutional investors' voting to be "a matter of public record". Speaking at a conference organised by the National Association of Pension Funds, Myners outlined the importance of transparency and effective communication with scheme members. He encouraged trustees to make their votes count at annual general meetings and making their voting public.

### **UK - Industry chiefs' environment plea**

Heads of 12 of the UK's leading industrial firms have written to the prime minister demanding long-term policies to tackle climate change. They say climate change is a huge challenge that requires investment by the business, but insist they cannot invest because do not know what the future policies on climate change will be. The letter is signed by the heads of BP, Shell, HSBC Bank, BAA, John Lewis, Scottish Power and more.

### **Switzerland - Head of Post pension fund resigns after vote at Nestle AGM**

The Head of the investment committee of the €7.1bn pension fund for Post employees, Post PK, has resigned following calls to do so after his vote in favour of Nestle's CEO Peter Brabeck becoming group chairman as well. Ethical investment group Ethos, which represents 83 Swiss pension funds, had opposed the election of Brabeck to the double role in April, at Nestle's AGM.

### **Norway - Petroleum Fund withdraws €42m from Kerr-McGee**

Petroleum Fund has withdrawn NOK337m (€42.8m) from US chemicals group Kerr-McGee Corp. for their potential role in "undermining the UN peace process" in Morocco. The move was initiated by an ethical probe into the investment by the Norwegian ministry of finance.

### **Trade for Good! Day announced in financial markets**

Dow Jones MarketWatch columnist Thomas M. Kostigen and Borgen Project founder Clint Borgen are leading an initiative to create A Day of Goodwill in the financial markets through their Trade for Good! campaign. Trade for Good! calls for one day where the global financial

industry (investors, brokerages, exchanges) joins forces to reach the UN Millennium goal of eliminating poverty. Borgen says "Trade for Good! isn't really a capital raising campaign, so much as it's a capital redirection campaign toward a cause that will not only save lives but will create 4 billion more consumers on the planet". The financial industry and media worldwide are being solicited to join the Trade for Good! campaign. Major organizations, institutions and associations have already embraced the concept.

### **US - Calpers invests \$700m in green funds**

Calpers, the \$182bn (€144bn) pension fund for California state employees, has announced it will invest \$700m in environmentally friendly public and private equity funds.

### **Investors at UN meet pledge \$1 bn in clean energy**

Gathered at the Institutional Investor Summit on Climate Risk, some U.S. and British institutional investors collectively managing over \$3 trillion in assets pledged on 10/05/05 to invest \$1 billion in clean energy companies in an effort to reduce risks posed by climate change. Those investors include state treasurers from Connecticut and California, labour pension funds, and British pension funds.

## **Recent Articles**

### **Banks go for green – Time Magazine – May 30th 2005**

The world's largest finance firms are taking into account the environmental impact of their lending.

### **Climate Signals – The New York Times – May 19th 2005**

Lead editorial on growing corporate and investor demand for action on climate change - the editorial cites the investors that announced a new action plan at the Investor Summit on Climate Risk (see the SRI news section).

### **Climate change 'will damage profits' – The Financial Times – May 2nd 2005**

Financial institutions are laying themselves open to risks to their profitability by failing to budget for the effects of climate change, according to a merchant bank that specialises in climate change risks.

### **How virtuous is your ethical fund? – The Sunday Telegraph – May 1st 2005**

Investors in ethical funds have often had to sacrifice performance for their principles. But now a number of fund managers are sacrificing their principles in a bid to boost performance.

### **Why it pays to be socially responsible – The Guardian, 28 April 2005**

How SMEs benefit from CSR.

## **Surveys and Reports**

### **WWF Survey: Chinese companies more environmentally aware than expected**

Some of China's biggest companies intend to improve environmental standards and practices, according to a survey by WWF.

Click here to [read about and download the WWF report](#) (WWF website).

### **How Does CSR Differ in Europe, North America, and Asia?**

The results of a recent survey comparing corporate social responsibility in various areas of the world - Europe, North America, and Asia - have recently been published. The survey results are outlined in a paper by Richard Welford, University of Hong Kong, China, titled "Corporate Social Responsibility in Europe, North America and Asia: 2004 Survey Results."

You can read the survey at: [www.greenleaf-publishing.com/jcc/jcc17.htm](http://www.greenleaf-publishing.com/jcc/jcc17.htm).

## **6. Upcoming events**

### **FAIRE2005 - Annual Forum for European Responsible Investment**

21-22 June 2005, Palais Brongniart, Paris

The FAIRE is a free event for investors which focuses on 2 days of company presentations & "one-to-one" meetings with investors on material extra-financial / SRI issues.

For more information:

[www.frenchsif.org/en/activities/events/#faire2005](http://www.frenchsif.org/en/activities/events/#faire2005)

Register by sending an email to: [perrine.dutronc@frenchsif.org](mailto:perrine.dutronc@frenchsif.org).

### **Sustainability, Innovation and European Competitiveness, by Nick Robins of Henderson Global Investors, a Eurosif member**

15 June 2005, Brussels, from 2 to 4 p.m.

[www.epe.be](http://www.epe.be).

### **Renewable Energy Finance Asia**

15-16 June 2005, Hong Kong.

Contact: [sarah.ellis@greenpowerconferences.com](mailto:sarah.ellis@greenpowerconferences.com).

### **Climate Change 2005 Emerging Carbon Markets: Can They Deliver?**

16-17 June 2005, Chatham House, London.

Email [conferences@chathamhouse.org.uk](mailto:conferences@chathamhouse.org.uk).

### **FAIRE2005 - Annual Forum for European Responsible Investment**

21-22 June 2005, Paris.

[www.frenchsif.org/en/activities/events/](http://www.frenchsif.org/en/activities/events/)

### **The 2nd International Conference on Business Performance and CSR: "Corporate Social Responsibility: Current Research and Practical Challenge"**

22 June 2005, London, UK

[mubs.mdx.ac.uk/conferences/bpcsr05/](http://mubs.mdx.ac.uk/conferences/bpcsr05/).

### **Good Governance and Responsible Ownership**

22 June 2005, London.

Contact [Simon.Mills@corpoflondon.gov.uk](mailto:Simon.Mills@corpoflondon.gov.uk).

### **Business in the Community annual conference 2005:**

**'A Better Way of Doing Business'**

5-6 July 2005, London

Contact Clare Alder: [clare.alder@bitc.org.uk](mailto:clare.alder@bitc.org.uk).

### **Green Power Central and Eastern Europe**

7-9 Sept 2005, Prague

[www.greenpowerconferences.com](http://www.greenpowerconferences.com).

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

25-28 September 2005, Snowbird Resort, UT

[www.sriintherockies.com](http://www.sriintherockies.com).

### **The art of good business – Adding value through Corporate Social Responsibility**

29 Sept – 1st Oct 2005, Lucca, Italy

[www.svneurope.com](http://www.svneurope.com).

### **"Competitiveness and new Business Strategies: Corporate Social Responsibility"**

The 1st Italian banking forum on CSR, organised by the Italian Banking Association (ABI)

3-4 Oct 2005, Rome, Italy

[www.bancariaeditrice.it](http://www.bancariaeditrice.it).

**10th European Roundtable on Sustainable Consumption and Production**

5-7 Oct 2005, Antwerp, Belgium

[www.vito.be/erscp2005](http://www.vito.be/erscp2005).

Call for abstracts for the ERSCP 2005: deadline for submission: 30 April 2005

**Sustainable Innovation 05: Global 'state of the art' in sustainable product/service development and Design**

24-25 Oct 2005, Farnham, UK

[www.cfsd.org.uk/events/tspd10](http://www.cfsd.org.uk/events/tspd10).

**UNEP FI Global Roundtable**

25-26 October 2005, New York, USA

[www.unepfi.org/ny/](http://www.unepfi.org/ny/).

**'Creating the Climate for Change' The 2nd Sustainable Energy Finance Roundtable**

27 October 2005, New York, USA

[www.sefi.unep.org/index.php?id=57](http://www.sefi.unep.org/index.php?id=57).

**TBLI Annual Conference**

2-4 Nov 2005, Frankfurt

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

**Green Power Mediterranean**

14-16 Nov 2005, Rome

[www.greenpowerconferences.com](http://www.greenpowerconferences.com).

**UK EU Presidency's CSR Conference**

1-2 Dec 2005, London

**Global Forum on Sustainable Development**

2-3 Dec 2005, Paris

[www.equitable-forum.org/2005/index.html](http://www.equitable-forum.org/2005/index.html)