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1. Eurosif Update

Chemicals released and Automobiles to be delivered

The chemicals report, number two in Eurosif's sector report series, has been released. Eurosif partnered with the research agency EIRIS (Ethical Investment Research Services) and a steering committee of asset managers to produce a concise analysis of the social and environmental issues as well as the potential risks and opportunities for companies' long-term returns in the chemical sector. Eurosif is currently working with SAM (Sustainable Asset Management) to produce a third report in the series on the automobile sector. 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 about the sector reports please contact Sarah Clawson at sarahc@eurosif.org.

Retail Transparency Guidelines continue to make their mark

With the commitment of SGAM, Eurosif welcomes another French signatory of the Retail Transparency Guidelines. In addition, Henderson (UK) was the first Fund Management company to update their response to the Guidelines. Henderson has taken the opportunity to enhance their disclosure of holdings, which they now plan to do on a quarterly basis.

EUROSIF ADVISORY COUNCIL ON DEC 1st in London:

Eurosif's Advisory Council Meeting is to be held at F&C offices in London from 9:00 to 17:00 on Thursday December 1st, 2005.

We look forward to welcoming you for a day of exchange and networking exclusively designed for member affiliates. We will review Eurosif's activities on various SRI projects across Europe as well as provide members with an opportunity to interact with one another, share ideas and express how they wish to see Eurosif moving forward in the future. For more information on the Advisory Council Meeting please contact Sarah Clawson at sarahc@eurosif.org.

Public Speaking Events

- On November 3 at TBLI, Matt Christensen will be moderating a workshop on - Fund Performance & Strategy- Are SRI funds performing and what are some strategies for creating and maintaining an SRI portfolio. Speakers of the workshop will include Helena Colle (Dexia Asset Management), Rolf Iten (Inrate), and Mark Campanale (Henderson).
- Jérôme Tagger will be speaking in Brussels at the International Trade Unions House on November 14th about Socially Responsible Investment: Tools for Trade Unions in Europe. The event is jointly organised with Eurocadres.

To register, please email sat@eurocadres.org

2. EU Update

EU's second climate change programme to put onus on technology

The second European Climate Change Programme (ECCP II) was launched on October 24th by the European Commission. This second programme is to focus on innovation and investment in clean technologies as means to mitigate climate change. Its forerunner ECCP I had enabled the set up of the EU trading scheme for CO2 emissions. This strategic choice was again highlighted at an international conference organised by the UK on October 30th, as part of the G8 Presidency to start thinking about Post Kyoto strategies (2012). In explanation of this strategy, UK Prime Minister said that no country would be willing to sacrifice its economy in order to meet the climate change challenge.

europa.eu.int/comm/environment/climat/future_action.htm

Tony Blair also published an opinion paper in the Observer on Sunday October 30 2005. In "Get real on climate change", the UK Prime Minister says that international unity on the way ahead is a must this time and highlights the importance of upcoming international negotiations.

www.observer.co.uk

Commissioner McGreevy voices support for one share-one vote

In a front-page interview in the financial times dated Monday October 17th, M. McCreevy expressed his support for enhancing shareholder democracy in Europe, and suggested the Commission might consider issuing a recommendation on one share one vote. This proposal is ambitious because the Commission's previous plans were limited to the "Examination of the consequences of an approach aiming at achieving a full shareholder democracy (one share / one vote), at least for listed companies" for 2006-2008.

More at www.ft.com (subscribers only)

Report on responses to the second Consultation on Shareholders' Rights

This summer, DG Internal Market performed the Second Consultation on Shareholders' Rights - following up on its previous work in the area. A summary of answers to the consultation has now been published, giving indications as to where future legislative steps might be taken.

The key results were:

- Respondents mostly favour a directive (as opposed to a recommendation) as a guarantee for implementation by member states and by companies.
- In general, DG Internal Market agrees on the scope of proposals and the level of proposed minimum standards. There are a few differences of opinion, which could narrow the scope of the legislative approach.

Further analysis and EU news are available to our members only in our *Insider*, which may be downloaded in the Member Only Section.

The full Commission report is also available at

europa.eu.int/comm/internal_market/company/shareholders/index_en.htm.

DG Employment to host conference on Responsible Sourcing on Nov 18th

In its continued commitment to CSR, DG Employment, Social Affairs and Equal Opportunities is organizing a conference on "Responsible Sourcing: Improving Global Supply Chains Management" On 18th November in Brussels. Partner for this conference is the Fondation des Droits de l'Homme au Travail.

europa.eu.int/comm/employment_social/soc-dial/csr/051118_cover_en.html.

3. News from Eurosif members

Eurosif proudly welcomes three new members

Eurosif would like to congratulate SiRi Company Ltd., ABN AMRO Asset Management and SG Asset Management for joining us.

The New Member Affiliates:

SiRi Company Ltd is one of the world's largest independent providers of CSR research and consulting services for institutional investors and financial professionals. SiRi Company was established in 2003 and is the successor of the SiRi Group association. The key strength of the independent research and consulting philosophy of SiRi Company is the recognition that, while global investing requires global research, company analysis must take account of local circumstances and cultural differences. SiRi Company provides detailed profiles and ratings on the largest global companies through its unique and innovative internet-based platform SiRi Pro. SiRi Company clients include some of the largest asset managers, insurance companies, pension funds, banks, and social investment institutions in the world.

www.siricompany.com

ABN AMRO Asset Management is the separately organised investment management division of ABN AMRO Bank. With history dating back to 1824, ABN AMRO Bank is among the 10 largest banks in the world and ranks among the five largest European banks. ABN AMRO has more than 3,400 branches in over 50 countries and regions, with strong regional networks throughout Europe, the Americas, the Middle East, South East Asia and Australia. ABN AMRO's position in the eurozone is unrivalled by any other financial institution. The Bank holds a position of financial strength and stability, with about US\$500 billion in capital, over 100,000 employees worldwide and an AA- credit rating.

www.asset.abnamro.com

SG Asset Management is a subsidiary of Société Générale, thus benefiting from the expertise of the group which created the first French mutual fund in 1964. Created in January 1997, the subsidiary took over Société Générale's asset management activities as an independent legal entity. SG Asset Management offers private and corporate clients and international institutional investors a wide range of investment products and services to fulfil their specific requirements.

www.sgam.com

Member Affiliate News:

ABN AMRO Asset Management introduces new concept for Socially Responsible Investing

ABN AMRO Asset Management plans to launch several new sustainable funds over the next two years in Sweden, Brazil, France, Germany, the Netherlands and the United Kingdom. Today, ABN AMRO Asset Management announced it would re-open the issuance of shares in the ABN AMRO Green Fund. The new offering will take place before the end of this year and is expected to total approximately EUR 70-90 million.

www.abnamro.com

12% of Dexia FUM are now managed with SRI criteria / Dexia opens Stockholm branch

Dexia Asset Management, created in 1998 with 81.4 billion euros under management, has seen the share of its FUM in SRI increase to 12% of total FUMS. Dexia also announced that it is opening a branch in Stockholm., to be headed by Fredrik Wilkens, previously working for Key Asset Management in Sweden.

For more information, please see: www.dexia-am.com.

Dow Jones Sustainability Indexes Launch United States and North America Indexes

The new indexes apply a best-in-class approach that differs from the approach of US socially responsible investing indexes currently available, which focus on exclusionary screening.
www.sustainability-indexes.com/djsi_pdf/news/PressReleases/DJSI_PR_050923_Launch.pdf.

EIRIS report: Do good environmental management systems lead to good environmental performance?

EIRIS found that almost all companies demonstrating improvements in environmental performance have a good environmental management system (EMS). A good EMS is not, however, a guarantee of good environmental performance as judged by the degree of environmental improvement a company can demonstrate.

For a full copy of the report, see www.eiris.org.

HSBC goes carbon neutral three months early

HSBC became the first major bank to go carbon neutral in early October. It has reduced its carbon dioxide (CO₂) emissions to zero by reducing energy use, buying green electricity and then offsetting the remaining CO₂ emissions by investing in carbon projects. HSBC had originally made public its intention to go carbon neutral by January 2006.

For further information, please visit: www.hsbc.com/news (News Archive item, Oct 6, 2005).

Oikocredit largest private Microcredit financier worldwide

During the first nine months of this year, Oikocredit has approved a record amount of 53 million euros in financing to the microfinance sector. This brought the total Oikocredit committed microfinance portfolio to 135 million euros with 205 Microfinance Institutions (MFIs) in 47 countries, reconfirming Oikocredit's position as world leader in terms of fully private capital financing of the microfinance sector.

For further information contact Oikocredit International Office:

kwardak@oikocredit.org

www.oikocredit.org

Henderson Global Investors publishes new paper on tax

'Responsible Tax' sets out what has been learnt from discussions with heads of tax at a number of FTSE100 companies. These discussions follow-up on Henderson's original survey on tax, 'Tax, risk and corporate governance – findings from a survey of the Chairmen of the FTSE350' which was published in February 2005. The new paper documents a number of principles that guide tax decision-making at leading companies. It can be found at:

www.henderson.com/global_includes/pdf/corporate_governance/ResponsibleTax.pdf

[PDF, 550kb].

Insight and WWF publish second benchmark of housebuilders' performance on sustainability

'Investing in sustainability: progress and performance among the UK's listed house-builders revisited' is part of WWF's One Million Sustainable Homes campaign. The report evaluates twelve UK house-builders against criteria which assess impact, strategy and governance. It is available at www.wwf.org.uk/investinginsustainability [PDF, 650kb].

KLD Global Climate Index in Japan

KLD Indexes has engaged Sunrise Advisors to market the Index in Japan. The Index is made up of companies that are leaders in providing solutions to global warming and offsetting the effect of climate change. The Index was launched in July 2005 and currently includes 16 Japanese companies.

For details visit www.kld.com.

Mercer Investment Consulting evaluates investment managers' practices involving active ownership and integrated analysis

Mercer IC has extended its research of investment managers to systematically evaluate their performance with regard to "active ownership" practices (including proxy voting and shareholder engagement) and the incorporation of environmental, social, and corporate governance (ESG) analysis into mainstream decision making.

Full findings are available on: www.merceric.com/ESGresearch

Sarasin Research: European drug producers are more socially and environmentally friendly

Bank Sarasin examines to what extent drug companies observe social and ethical criteria in their business practices, as in fact the pharmaceutical business is one of the most heavily criticised industries. The media often carries negative headlines about dubious marketing practices or the limited availability of medicines in developing countries. The report concludes that European pharmaceutical groups are best at meeting these challenges, while US drug companies have some catching up to do. Novartis and Roche lead the field.

For more information, contact Andreas Holzer, Sustainability Research
E-mail: andreas.holzer@sarasin.ch or see: www.sarasin.ch.

UBS hosts conference on climate change

UBS Investment Bank's SRI Research team hosted the firm's first ever conference on climate change on 29 September. Speakers included Sir David King, the chief scientific advisor to the UK government, and Will Day, Special Advisor to the United Nations Development Programme. Speakers from companies in relevant industries explored some of the 'big picture' issues and companies involved in innovation in climate change mitigation spoke on a range of renewable energy technologies.

For details contact julie.hudson@ubs.com.

4. News from SIFs

VBDO – The Netherlands

VBDO announces outcome of the 4th transparency benchmark on Dutch listed companies

This year, and for the second time, Philips' CSR report came out on top. Closest followers are Shell, ABN AMRO, Océ, Rabobank, Unilever and DSM.

www.vbdo.nl

VBDO dives further into biodiversity

The issue of biodiversity for companies has brought VBDO to develop quick scans for identifying these risks for the financial and food sectors. VBDO will be using these quick scans as a starting point for here dialogue with listed companies. The quick scans will be available on VBDO's website:

www.vbdo.nl

UKSIF – UK

UKSIF survey finds top IFA firms fail to ask SRI fact find question

An UKSIF survey of 35 top IFA firms this summer has found that only 52% of firms ask clients about 'ethical concerns' in their standard client fact find. On closer examination of the 52%, only 28% were able to quote the question and none included the words environmental, social or religious concerns in their phrasing. Over 70% of firms do not provide training for advisers on responsible investment and 90% of firms do not include SRI in advisers training needs analysis for CPD. The story was featured on p3 of Financial Adviser on 20 October.

For details of the survey contact helen.barnes@uksif.org.

5. SRI news in Europe & elsewhere

UNEP-FI, Freshfields release important legal research on fiduciary duty and extra financial issues

The UNEP FI Asset Management Working Group invited Freshfields Bruckhaus Deringer, one of the world's largest law firms, to consider whether institutional investors such as pension funds and insurance companies are legally permitted to integrate environmental, social and governance issues into their investment decision-making and ownership practices. The AMWG further asked how the law might be expected to evolve in this area. The study describes the legal framework for institutions in Australia, Canada, France, Germany, Italy, Japan, Spain, the UK and the US. The reports' conclusions are very positive for encouraging the development of responsible institutional investments.

www.unepfi.org.

Further Growth in European SRI Funds

Avanzi SRI Research and SiRi Company have published the 2005 version of their well-known survey "Green Social and Ethical Funds in Europe". As for past versions, the 2005 survey takes a census of European retail UCITS funds using ethical, social or environmental screens for portfolio selection. During the last year - figures are by 30th June, 2005 - SRI funds' assets realized a remarkable growth, achieving a total of 24.1 billion EUR (+ 26% compared to 19 billion EUR in 2004). The growth in the number of SRI funds on the market however slowed down and today stands at 375 (+6% compared to 354 in 2004). The report is part of the SRI Funds Service, the most comprehensive database on European SRI funds, maintained by Italian SiRi Network Partner Avanzi SRI Research and Morningstar. The SRI Funds Service enables asset managers to build SRI funds portfolios, to benchmark against peer groups and to review SRI policy and criteria. The SRI Funds Service is also used by corporations to better understand the reasons for being included / excluded by SRI portfolio managers.

The 6th study "Green, social and ethical funds in Europe 2005" is available to download for free: www.avanzi-sri.org/pdf/complete_report_2005_final.pdf [PDF, 372kb]

SRI in France – Large investors fuel SRI growth

A survey released last month by Novethic-Amadeis-BNP Paribas AM shows that large investors are the main force behind SRI growth; 73% of investors surveyed with AUM over 1M euros have already invested in SRI (against 35% for smaller investors). Three quarters of these are planning to reinvest in SRI. For more, please access the survey (in French):

www.novethic.fr/novethic/upload/etudes/Synthese_Etude_ISR_2005.PPT [PPT, 276kb]

Innovest launches 'Global Compact Plus' new tool to monitor global compact

'Global Compact Plus' will help investors monitor companies' ability to manage risks and opportunities arising from Global Compact, the UN project signed by more than 2400 companies around the world, and representing the biggest voluntary CSR initiative.

Global 100 Corporate Accountability Rating Released

The results of the 2005 Accountability Rating, a corporate accountability rating of FORTUNE Global 100 companies, were announced today by international think tank AccountAbility and consultancy csrnetwork. The five companies topping the list are all European (BP, Shell, Vodafone, HSBC, Carrefour).

See www.accountabilityrating.com.

European PhD Research Network Launched

How to organize transparency, human capital or social engagement? In order to deal with these and many other questions, innovative answers are required instead of quick fixes. Generating fundamental and applied knowledge from within the company seems to be the way to go. The programme, which will last for four years and will be supervised by specialist academics from various institutions across Europe, should result in a PhD. For more details please visit the project website:

www.resorg.nl.

Innovest acquires London-based research arm of DNV's CoreRatings and opens new office

Innovest has purchased the non-solicited ratings services of CoreRatings Ltd. DNV (Det Norske Veritas) will keep the CoreRatings name and corporate services business to focus on

mandated corporate governance and corporate responsibility ratings. Innovest has also announced that it has opened a new office in San Francisco.

www.innovestgroup.com.

Academic study on performance of ethical funds

A paper has been published (co-authored by UKSIF member Niklas Kreander) in the Journal of Business Finance & Accounting, which examines the performance of European ethical funds between 1995 and 2001. Using matched pair analysis the paper studies the performance of 60 European funds and finds that there is no difference between ethical and non-ethical funds according to the performance measures employed.

For more details contact n.kreander@accfin.gla.ac.uk.

Investment Week reports Ethical Funds have outperformed over past 10 years

"Ethical funds have outperformed the average UK index tracker and FTSE 100 index over the past 10 years, reveals Life & Pensions Moneyfacts. Based on Lipper figures to 30 June 2005, the average ethical fund has grown 74.84% over 10 years, against 62.23% from index trackers and the FTSE 100 at 54.26%"

Enhanced Business Reporting (EBR) consortium: giving the capital markets relevant information

Research indicates only about one-third of the value drivers generally associated with companies and industries are published in formal filings. Along with projects like the Global Reporting Initiative, the EBR Consortium is stepping up its efforts to promote greater transparency about corporate strategy and performance. Most recently, the Consortium has developed a voluntary framework for presentation and disclosure of value drivers, extra-financial performance measures and qualitative information.

For further details go to: www.ebrconsortium.org

Non-European investors and governments take notice of EAI

Mainstream US institutional investors are starting to show interest in how sell-side analysts deal with some extra-financial issues. The initial focus is on the analysis of stock options but in a move which shows the potential for coordinated action in the future on other extra-financial issues, the Council of Institutional Investors, which represents over 130 public, corporate and union pension funds with combined assets of more than \$3 trillion, recently wrote to over 30 major research houses with a request for action on this issue. The request was that these houses adopt proactive policy positions requiring analysts to include the cost of options in their earnings estimates and valuation models. A few research houses have already acted ahead of this expression of client demand.

For more information on this report go to: www.gsibwere.com.

www.enhanced-analytics.com.

US investors show interest in what sell-side analysts are doing on specific EFIs

Mainstream US institutional investors are starting to show interest in how sell-side analysts deal with some extra-financial issues. The initial focus is on the analysis of stock options but in a move which shows the potential for coordinated action in the future on other extra-financial issues, the Council of Institutional Investors, which represents over 130 public, corporate and union pension funds with combined assets of more than \$3 trillion, recently wrote to over 30 major research houses with a request for action on this issue. The request was that these houses adopt proactive policy positions requiring analysts to include the cost of options in their earnings estimates and valuation models. A few research houses have already acted ahead of this expression of client demand.

For more on these policy documents go to: www.cii.org.

International Organisation for Standardisation (ISO) moves towards a social responsibility standard

ISO says standard on social responsibility is on track for completion by 2008 following a successful meeting in Bangkok. Progress towards developing a generally-agreed definition of how organisations should understand - and respond to - their social responsibilities has taken

a small but significant step forward in Bangkok at the 2nd meeting of the International Organisation for Standardisation (ISO) Social Responsibility Working Group (SRWG). See: www.iso.org/iso/en/commcentre/pressreleases/2005/Ref972.html.

Business Schools Respond to New Global “Realities,” Survey Shows

The biennial report Beyond Grey Pinstripes, released jointly today by World Resources Institute and the Aspen Institute, finds that more business schools are doing a better job preparing students for the reality of tomorrow's markets, equipping them with an understanding of the social, environmental, and economic perspectives required for business success in a competitive global economy. The 2005 survey finds that an increasing number of business schools are offering courses in ethics, corporate social responsibility, or environmental sustainability. A full description of the report, its methodology, and MBA program rankings are available at: www.BeyondGreyPinstripes.org.

French stock market Authority working group releases report on Voting rights

The rapport Mansion, “Improving the Exercise of Voting Rights in France by the AMF” makes a number of important recommendations to improve shareholder democracy in France, including: improving access to information, improving the running of AGMs, and undertaking measures to facilitate vote counting and reporting. The report was released in September. www.amf-france.org.

Finland and Italy earn carbon credits under the CDM mechanism

Italy and Finland have earned carbon credits by investing in hydroelectric projects in Honduras, thereby helping Honduras reduce its dependency on oil. These are the first projects to be accepted under the Clean Development Mechanism scheme, operating as part of the Kyoto protocol. The CDM enables industrial countries to receive credits towards their emission targets when they contribute to developing sustainable energy projects in other parts of the world.

6. Upcoming events

Business for Social Responsibility (BSR) 2005 Annual Conference

1-4 November 2005, Washington DC, USA

For further information, please visit:

www.bsr.org/BSRConferences/2005/index.cfm.

Triple Bottom Line Investing (TBLI) Conference 2005

2-4 November 2005, Frankfurt

For further information and registrations, please visit:

www.tbli.org/index-conference.html.

Beijing International Renewable Energy Conference 2005

(designed as follow-up to 'renewables 2004' in Bonn last year)

7-8 November 2005, Beijing, PRC

www.birec2005.cn

AA1000 Assurance Standard Course

7-11 November, London, UK

28-30 November 2005, Vancouver, Canada

The newly launched AA1000 Assurance Standard provides organizations with an internationally respected process for effectively managing sustainability issues and stakeholder relationships.

For further information, please visit: www.accountability.org.uk.

First Pan-European Industrial Relations Forum on Workclimate

10-11 November 2005, Barcelona

www.esade.edu/euworkclimate2005/.

Green Power Mediterranean

14-16 November 2005, Rome

www.greenpowerconferences.com.

Responsible Sourcing: Improving Global Supply Chains Management

18 November 2005, Brussels

Organised by EU DG Employment, Social Affairs and Equal Opportunities in association with FDHT.

europa.eu.int/comm/employment_social/soc-dial/csr/.

How To Communicate Your Corporate Values To Consumers

22-23 November 2005, London

www.ethicalcorp.com/consumer/.

Governance and Social Responsibility Conference

28-30 November, London.

Organised by Monash Governance Research Unit and King's College London.

For details contact governance@buseco.monash.edu.au.

Eurosif Advisory Council Meeting

1 December, London.

Details from sarahc@eurosif.org.

EU Presidency CSR Conference:

Investing in the Future – A European Conference on CSR and the Finance Sector

1-2 December 2005, London

Call Helen Griffiths, DTI, on 020 7215 1026 or visit:

www.csr.gov.uk/feature.shtml.

3rd World Urban Forum

1-3 December, Habitat JAM

Hosted by the Government of Canada in partnership with UN-Habitat, there will be six online forum topics, among which one on Finance and governance, which will discuss the theme "Sustainable Cities: Financing Development for All".

Global Forum on Sustainable Development

2-3 December 2005, Paris

www.equitable-forum.org/2005/index.html.

4th Annual Colloquium of the European Academy of Business in Society: Corporate Responsibility and Competitiveness - Developing Human Capital for Sustainable Growth

5-6 December, Poland.

www.eabis.org.

The 2005 Business and Human Rights Seminar: Exploring Responsibility and Complicity

8 December, London.

www.bhrseminar.org.

UNEP First Trade Union Assembly on Labour and the Environment

15-17 January 2006, Nairobi, Kenya.

www.will2006.org.

CSR in Enlarged Europe

Organised by the European Commission in association with the World Bank

20 February 2006.

GLOBE 2006

29-31 March 2006, Vancouver, Canada.

Biennial international conference and trade fair on the business and the environment.

www.globe2006.com.

CSR and Sustainability Reporting

Organised by the European Commission in association with the ESRA (European Sustainability Reporting Awards)

3 April 2006.

CSR and Governance

Organised by the European Commission in association with The Copenhagen Centre

15 May 2006.