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1. Eurosif Update

Pan European Transparency Guidelines for the Retail Sector: Today marks the date for the Pilot version of the Transparency Guidelines project to begin. Eurosif's director, Matt Christensen was recently quoted in IPE (Investment & Pensions Europe) as saying "the guidelines would enable asset managers to say how they create and select an SRI fund. A person who wants to buy into a fund would then have an understanding of what exactly it is. It won't be about the quality of the find, it will be about the transparency." Eurosif is excited about launching this project with the help of the EC, as well as all of the local SIFs across Europe.

For the IPE article please visit www.ipe.com/default.asp?article=14773 (registration required)

Institutional SRI study: Working for the European Commission, Eurosif has recently embarked on the first pan-European study of the institutional SRI market. The study will be conducted over the course of the summer and attempt to give a perspective on the state of the market and its future prospects.

For more info about this project, contact Jerome Tagger (jeromet@eurosif.org). We welcome your valuable input.

Public Roles in Europe:

Stockholm—IMN's North European Pensions & Investing AND European SRI Workshop Last month Matt Christensen opened the conference with a presentation entitled, "Why are we here today? Regulatory and market drivers for socially responsible investing".

Paris—Novethic breakfast with SRI and CSR actors Matt Christensen was a featured speaker at a June 19th Novethic breakfast event on the subject of Europe and the US in relation to SRI and CSR. He described how Europe has moved past the US as the most dynamic area for CSR and SRI and observed how local markets have different views on the meaning of CSR and SRI.

More at www.novethic.fr/novethic/site/novethic/presse_article.jsp?id=37489&pos=1

Barcelona—radio interview and ESADE press conference Matt Christensen was interviewed for half an hour on the popular radio program 'Economy and Business' on the largest station in Barcelona, Radio Catalunya. He broached the subject of SRI and how it might find applications on the Spanish market. Matt also took part in a press conference at ESADE business school to announce its membership in Eurosif and the release of a study on the Spanish SRI market.

Fontainebleau—INSEAD event on investor interest in corporate sustainability and the disclosure of material risk Matt was the featured dinner speaker at the INSEAD event to discuss the Transparency Guidelines project and how it may help identify and clarify material risks over the longer term. The CMER (Center for Management of Environmental & Social Responsibility)/CSR Europe sponsored conference addressed a core issue faced by

business: how much do investors need to know about a firm's corporate sustainability activities and how relevant is this information for their assessment of a firm's material risk. For a detailed program review, refer to the web site: www.insead.edu/CMER/events/mat-risks2003/

2. EU Update

EU Financial Services Action Plan:

In its eighth progress report on its Financial Services Action Plan (FSAP), the European Commission came to the conclusion that the overall financial outlook is strengthening the political case for integrating financial services within the EU by 2005.

More at http://europa.eu.int/comm/internal_market/en/finances/actionplan/index.htm

CSR Report:

On May 13, the European Parliament adopted its new report on CSR. Significantly, It noted the importance of "facilitating rather than force-fitting" CSR policies.

Action Plan on Company Law and Corporate Governance:

On May 21, the Commission launched a consultation on its Action Plan on Company Law and Corporate Governance aiming at defining key policies in this sector.

The Action Plan is open to public consultation until 31 August 2003.

See http://europa.eu.int/comm/internal_market/en/company/company/modern/index.htm

3. News from Eurosif members

New members

Eurosif wishes to welcome the following new members:

DEXIA

Dexia Asset Management launches the first Sustainable Exchange Tradable Fund (ETF) Dexia launched this innovative fund called Trackindex on June 24 in collaboration with SAM and Stoxx on Euronext. It is the first ETF tracking the Dow Jones STOXX Sustainability Index and due to its nature one the first pan-European sustainable financial products. Learn about it at www.trackindex.com or www.dexia-am.com

ESADE

Through IPES, its Institute for Individual, Corporation and Society, ESADE is a frontrunner on the Spanish SRI market. IPES was instrumental in the creation of the Observatory on Ethical, Ecological and Social Investment Funds in Spain. ESADE University is based in Barcelona and essentially teaches Business Administration and Law. In 2000, ESADE created the Institute for Individual, Corporation and Society (IPES) operating in the areas of business ethics and CSR. IPES embraces studies, research and publication. It aims at promoting the organizational and social institutionalization of values as well as fulfilling a need for innovation and learning. More at <http://www.esade.es/institution/institutos/ipes/index.php>

FTSE, UK

FTSE Group is an independent company whose sole business is the creation and management of indices and associated data services. FTSE serves thousands of clients in 77 countries worldwide, working directly with pension plan sponsors, investment banks, brokers, consultants, fund managers, stock exchanges and data providers. Two and a half trillion USD of assets are under management using FTSE indices. FTSE publishes the FTSE4Good sustainable market index. www.ftse.com

SAM Group, Switzerland

SAM Sustainable Asset Management is an independent asset management company headquartered in Zurich, Switzerland. Established in 1995, SAM was among the first asset managers to specialize in the field of sustainability-driven investments. Today, SAM's customers include major European banks, global insurance companies, large pension funds and private clients.

www.sam-group.com

NEXTRA I.M. Sgr, Italy

Nextra Investment Management is the fund management company of the Banca Intesa Group. Intesa was established as the merger between several Italian banks among which Banca Commerciale Italiana, CARIPO, Banco Ambrosiano, Banca Cattolica del Veneto and other Italian banks. The company has recently launched an SRI fund in the form of an ETF that is tracking an Ethical Equity Index and ethical funds of funds are being launched for its domestic client base.

www.nextrasgr.com

News from Eurosif members

Henderson Global Investors, UK

Henderson is all out publishing these days. May/June saw the release of its first Socially Responsible Investment Report as well as a new discussion paper entitled "Governance for Corporate Responsibility ? The Role of Non-Executive Directors in Environmental, Social and Ethical Issues".

The first document is a comprehensive account of Henderson's SRI activities in 2002 and addresses a variety of issues such facing climate change, gender pay gap or its own engagement policies. The discussion paper highlights examples of how companies are addressing the challenge of effectively managing SEE issues at board and directorial level.

Both documents are available at www2.henderson.com/sri

UBS

On June 5th, UBS AG published its latest environmental report highlighting the company's worldwide environmental commitments, ratings, case studies and goals for 2003. It includes a range of indicators that help investors and other stakeholders to assess the firm's environmental performance. 2002 saw a new ISO 14001 certificate confirm the global coverage of the banking activities and the successful extension of UBS's environmental management system to corporate services international in Europe, North America, and Asia Pacific.

For more about UBS reporting methods and the report itself please visit www.ubs.com/environment

4. News from SIFs

VBDO

VBDO published a report on how to control sustainability claims by banks in their lending process. The character of the lending process and its confidentiality make it difficult for SR investors to verify the how reliable bank's claims of using CSR criteria are. Transparency about the lending process should solve this problem. VBDO has identified the steps in the lending process over which banks should report in order to give a trustworthy insight in this process without giving up confidentiality. The report will be available in Dutch with an English summary. VBDO is currently planning dialogues with Dutch banks about this approach.

About VBDO: www.vbdo.nl

FIR (French SIF)

Together with Novethic and Ecodurable, FIR was very successful in organizing its SRI Roadshow in Paris on June 4&5. 16 Major companies and 200 analysts were able to confront

their visions of SRI issues during extended presentations and dialogues, a first on the French marketplace.

www.novethic.fr/novethic/site/novethic/presse_article.jsp?id=35897&pos=3

UKSIF

UKSIF is pleased to announce the release of its new web site. This new tool was tailored to better answer visitor's needs. It features extended sections and SRI and UKSIF activities. The web site also features a private, password protected, section for its members. Visit www.uksif.org

AsrIA

AsrIA initiates an IFC-sponsored project "Development of SRI in Asian Emerging Markets". IFC is the private sector arm of the World Bank. AsrIA has initiated research into SRI in Asian Emerging Markets. Succinct reports will be produced on each Asian Emerging Market produced by its network of researchers on the ground in Asia. Each report will cover the current status of sustainable investment, other related initiatives and levels of awareness in each market.

More at www.asria.org

5. SRI news in Europe

France stages Sustainability Week

The French Government officially staged Sustainability Week in early June. Stated aims were to inform and raise awareness among practitioners and the general public as well as elaborate a national strategy for sustainable development. A number of events took place, among which the FIR SRI Roadshow (see above) and meetings from grassroots to ministerial level such as the "first forum for ecologically responsible administrations."

As a visible consequence of the French government's involvement in sustainability, the Minister of Justice is submitting an environmental bill to be passed into the Constitution. This bill states that Authorities would have to respect the 2003 Environment Charter.

More at www.semainedudeveloppementdurable.gouv.fr

Press article (in french)

www.lemonde.fr/recherche_articleweb/1.9687.325230.00.html?

Spanish Financial Analysts value the importance of Stakeholder Management

The Spanish Fundacion de Estudios Financieros published a report aiming at improving Corporate Governance, tackling information transparency and issues related to conflicts of interest. A specific survey pointed to companies' and analysts' taking of CSR issues into account. Consensus appeared on the duty of reporting to shareholders about SEE policy and practice, the need for codes of conduct and the need for boards to regularly communicate with stakeholders.

More at www.fef.es/

Call to improve transparency standards in the Oil Industry

Ten major British, Dutch and German institutional investors, representing over \$600 billion, are calling on oil and mining companies to support an effort to improve standards of transparency in making payments to governments. Confidential payments, although legal, fuel corruption in states like Nigeria, Angola and Kazakstan, creating a difficult, costly operating environment, and rendering companies vulnerable to civil unrest, regime change and accusations of complicity in corrupt government. They back a British government process -- the Extractive Industries Transparency Initiative (EITI) -- to get global companies and governments to be transparent about payments such as taxes, royalties and signature bonuses. The investor group believes that a government and international financial institution-led solution is the key to a successful transparency initiative.

More at www.avanzi-sri.org/newsletter/SiRi%20newsletter-maggio.htm

Two Environmental SRI Funds Generate Attractive Returns (US)

Amid dull markets, two environmental SRI funds Green Century Balanced Fund and the Winslow Green Growth Fund have managed returns, reaching year- to- date returns of respectively 22.81% and 33.56%, outperforming 99% of other balanced mutual funds on the market.

More at www.socialfunds.com/news/article.cgi/1146.html

SRI to move on to smaller markets?

Grant Thornton's 10th annual EBS report shows that Europe's SMEs have embraced the Corporate Social Responsibility (CSR) agenda to a far greater degree than anticipated or previously documented. The report reveals that a significant number of SMEs have formal policies in place across a broad range of social issues and shows some very interesting differences between countries. A sign that SRI might soon expand to smaller markets and private equity?

More at www.gti.org/press/pressrelease_june.htm

6. Upcoming events

Corporate Governance and Corporate Sustainability Reporting: What do Stakeholders Want?

July 9, Amsterdam

On the occasion of the 9th Annual International Corporate Governance Network Conference, the GRI and ICGN will be hosting a public panel that will highlight the linkages between corporate governance and corporate sustainability reporting. The conference will be held from 16:00 - 18:00 on 9 July 2003 at the Grand Hotel Krasnapolsky in Amsterdam, The Netherlands.

www.globalreporting.org/news/events.asp

Long-term Fund Performance

September 8-9, London

Defining the Financial Impacts of SRI on Institutional Portfolios, and Assessing the Demand and the Incentives to Factor SRI and Engagement Policies into Mainstream Investments

5th Annual European Pension Schemes Summit

September 4-5, Hilton Cavalieri Hotel, Rome

3rd Annual UK & Irish Pension Schemes Summit

October 16-17, Park Lane Hilton, London

For further information please contact Richard Valmarana - rvalmarana@imn.org

14th annual SRI in the Rockies

October 19-22, Lake Tahoe, USA

SRI in the Rockies is one of the major annual gatherings of the socially responsible investment industry in the U.S.

www.sriintherockies.com

UNEP FI Tokyo Roundtable 'Sustaining Value' - A Meeting on Finance and Sustainability

October 20-21, 2003, Tokyo, Japan

Triple Bottom Line Investing Conference 2003

November 6-7, Amsterdam

www.tbli.org