One of the benefits of the current crisis is that EU policy makers are interested in fresh public policy solutions. Additionally, with the upcoming European Parliament election (June 2009) and resulting changes within the European Commission (EC), the coming months are particularly favorable moments to push SRI and CSR issues with Members of the Parliament (MEPs) and the EC Officials.

Towards that notion, Eurosif took advantage of this week’s important “CSR review meeting” organised by the EC to raise the profile of SRI and suggest ideas for moving the agenda forward.

Topics in this issue...

- Eurosif publicly encourages greater transparency by companies and investors at High Level “CSR Review meeting” convened by the European Commission
- Eurosif to publish position paper on transparency issues
- Eurosif responds to OECD’s consultation on Pension Fund Governance
- Workshop on Sustainable banks, June 25, 2009 - Brussels

**Eurosif publicly encourages greater transparency by companies and investors at a High Level “CSR Review meeting” convened by the European Commission**

Since December 2006, Eurosif is an Official Member of the Coordination Committee for the European Multi-stakeholder Forum on CSR. One of Eurosif’s key objectives in being an active member of the Multi-stakeholder Forum is to raise the profile of SRI in the discussion so that the Commission better understands the impact SRI makes on CSR.

The Commission organised on February 10, 2009 a High Level “CSR Multistakeholder Review Meeting” where various stakeholders including business representatives, trade unions, NGOs, academics, public authorities (MEPs, Member States) and investors discussed the state of CSR and made recommendations for the Commission going forward.

As a member of the coordination committee, Eurosif had the opportunity to:

- Suggest policy ideas that would benefit the EU SRI sector,
- Nominate participants among its member affiliates,
- Submit a document reviewing Eurosif initiatives to promote CSR/SRI.

In his speech, Matt Christensen made the following recommendations for the Commission:

- Further extend the CSR debate to other Directorate Generals, particularly DG Internal Market (the CSR debate is led by DG Employment & DG Enterprises) and to other European institutions such as the European Investment Bank and the European Investment Fund.
- A need for education and training on ESG issues, where funding from the Commission would be welcome.
- A need for better information on the market place, supporting mandatory reporting for large companies on ESG issues, principles-based and with the introduction of sector specific Key Performance Indicators (KPIs).
- A need for greater transparency from investors, with the introduction of Statement of Investment Principles (SIPs) at an EU level and a requirement for institutional investors to discuss the implementation of their responsible investment policies, if any.

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1 The Multistakeholder Forum was originally established in October 2002 and came to a standstill after it made its recommendation in 2004.
Eurosif also raised the question of governments’ role as shareowners as they take equity positions in companies (including banks).

During the panel about transparency and CSR, Jean-Pierre Sicard from the Caisse des Dépôts stressed the need for harmonisation in CSR reporting to allow comparison with sector-peer companies and consistency over time, insisting as well on the relevance of information. He especially recommended a focus on certain key ESG issues (climate change, resources efficiency, human rights and corporate governance) and advocated to include such data in companies’ annual reports.

Following this panel, DG Entreprise Director Pedro Ortùn called on businesses and investors to work together to ensure that extra-financial information is useful for investors, and he would like to see concrete proposal put forward.

Director Ortùn reminded that while the acting commission has currently chosen not to advocate mandatory reporting, the upcoming commission might think differently.

In the final plenary session Raj Thamotheram, from AXA Investment Managers, reminded the audience the urgency to report on material issues and to propose a reporting framework even though consensus cannot be reached. Raj also stressed that mainstream investors (particularly sell-side analysts) are the most empowered to discuss with CFOs and CEOs the risks and opportunities linked to ESG issues; he emphasized the pivotal role of Investor Relations and wondered where corporate pension funds stand with regards to CSR/SRI.

Richard Howitt MEP, European Parliament Rapporteur on CSR also stated that he is in favour of mandatory, principles-based, CSR reporting, and that “even though there won’t be consensus, now is the time to be courageous”.

Finally, in his closing speech, Günter Verheugen, Vice-President of the European Commission responsible for Enterprise and Industry mentioned extra-financial information:

“One issue that stands out for particular consideration in the context of the current crisis is that of transparency and the communication of non-financial performance by companies. The work of the Alliance laboratory on this topic has been timely and impressive. Investors who are able to value the role of CSR in the future prosperity and sustainability of a company can be hugely influential in creating the new economy to which we aspire. If companies expect a premium and reward from the market and from other stakeholders for their CSR performance, then they may wish to communicate their achievements in a transparent and credible manner. It is in their interest and I very much encourage the companies concerned to approach this issue very seriously. I also understand that quite a number feel the need to have a framework in which this can be done and I invite companies, investors and other stakeholders to work together on this issue.”

Following this meeting and Matt Christensen’s public speech, Eurosif was contacted by a number of stakeholder organisations to work together on a reporting framework and on KPIs. Eurosif will take advantage of the momentum to engage further with the Commission and Members of Parliament.

For more information, including agenda, submitted documents by Eurosif and other stakeholder groups: http://ec.europa.eu/enterprise/csr/forum_2009_index.htm

Günter Verheugen full speech:
**Eurosif to publish position paper on transparency issues**

Eurosif will use the upcoming position paper to engage with European policy makers, including the European Commission as well as the European Parliament in the coming months. Eurosif is currently collecting input from members (SIFs) and the member affiliate lobbying advisory group on the following topics:

- Transparency from Companies: Mandatory Environmental, Social and Governance Reporting,
- Transparency from Institutional Investors: Mandatory Statement of Investment Principle for Investment Funds,
- Offering SRI options within public pension plans,
- Shareholders Rights and Transparency (focusing on identification of shareholders and stock lending).

Eurosif will send a draft paper to all its member affiliates in early March for consultation, with the goal to finalise the paper in late March and communicate these ideas to European policy makers. In the meantime, member affiliates with strong opinions about these issues should contact Eurosif (marion@eurosif.org).

**Eurosif responds to OECD’s consultation on Pension Fund Governance**

In October 2008, Eurosif responded to OECD’s consultation on its “OECD Guidelines for pension fund governance”. In its response, Eurosif favors a mandatory disclosure about whether environmental, social and governance considerations are taken into account in the investment policy of pension funds, rather than a voluntary option.

To see the submissions to the consultation, including Eurosif’s:
[http://www.oecd.org/document/6/0,3343,en_2649_34853_41627078_1_1_1_1,00.html](http://www.oecd.org/document/6/0,3343,en_2649_34853_41627078_1_1_1_1,00.html)

**Workshop on Sustainable banks, June 25, 2009 - Brussels**

Eurosif will participate on June 25, 2009 to a full day workshop on “Sustainable banks, climate change and the energy revolution” at the European Economic and Social Committee. A first roundtable will focus on the role of States as shareowners with regards to banks and a second on how private banks can contribute to EU objectives in the energy sector. Eurosif will be involved in drafting preparatory documents for consultation with investors and ministries of finance prior to the seminar. Member Affiliates will be consulted in the process.