

## **Eurosif Response to the European Securities and Markets Authority's Consultation on Call for Evidence on Empty Voting**

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Submitted online

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Eurosif, the European Sustainable Investment Forum, is the pan-European network whose mission is to develop sustainability through European financial markets.

Eurosif welcomes the initiative by ESMA to establish the extent and severity of empty voting practices in Europe. Fostering investor accountability in the voting process is an important means of encouraging investors to think long-term and make use of their voting rights. The practice of voting is an essential tool for investors who have a genuine interest in the conduct of companies they own, including their strategic direction and governance. It is also a tool that not enough investors make use of. Empty voting undermines the effort undertaken by investors with a genuine long-term economic interest in a company, who actively vote in an informed manner.

Eurosif therefore welcomes initiatives at European level that encourage investors to make use of their voting rights in an informed manner, and that ensure a balance between economic interest and voting power.

Eurosif, however, cautions ESMA that in practice, the issue of voting and empty voting is complex and multi-layered. For specific evidence of this we refer you to individual responses of our member affiliates, including those of Robeco, Manifest, and SNS Asset Management.

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## About Eurosif

EUROSIF, the European Sustainable Investment Forum, is the pan-European network whose mission is to develop sustainability through European financial markets. Eurosif works as a partnership of the national Sustainable Investment Forums (SIFs) within the EU and with the support and involvement of Member Affiliates. Recognised as the premier European forum for sustainable investment, Eurosif's Member Affiliates are drawn from leading institutional investors, asset managers, NGO's, trade unions, academic institutes and research providers, together representing assets totalling over €1 trillion. Eurosif's work includes a focus across asset classes - equity and fixed income markets, microfinance, renewable energy, property, private equity and hedge funds - all centred on the industry trends and future legislation affecting this space. The key benefits that Eurosif Affiliate Members receive include EU interfacing, SRI information and European wide initiatives that integrate Environmental, Social and Governance (ESG) issues into the financial services sector.

**For the full list of Eurosif Member Affiliates, please see [www.eurosif.org](http://www.eurosif.org)**

Eurosif has two main roles: (1) to provide an international forum that allows members and member affiliates to work together on issues pertaining to Sustainable & Responsible Investment (SRI, see below for definition of SRI and its market size in Europe) and Corporate Governance in the EU financial services sector, and (2) to collect input from members and member affiliates and then communicate their ideas and initiatives to European policy makers, including the European Commission as well as the European Parliament. Therefore, this note is mainly driven from and by the interest and expertise of our membership.

## Sustainable and Responsible Investment Definition

Eurosif continues to use the term "SRI" as the most readily acknowledged expression for this field and defines SRI as follows:

*Sustainable and Responsible Investing (SRI) is a generic term covering any type of investment process that combines investors' financial objectives with their concerns about Environmental, Social and Governance (ESG) issues.*

## Market Size

Eurosif recently published the latest Sustainable and Responsible Investment (SRI) figures and trends in its "European SRI Study 2010". This unique study highlights the scale of European SRI as well as European and National trends across nineteen countries. Based on a survey of asset managers and self-managed asset owners, we found that total SRI assets under management (AuMs) have reached €5 trillion as of December 31, 2009, corresponding to a remarkable growth given the financial crisis over the past two years since the study was last published.