

UKSIF ANNUAL REVIEW 2011-12

*Networking the UK sustainable
investment and finance cluster*

*Convening to understand, educate
and influence our stakeholders*

*Voice for the sustainable investment
and finance industry in the UK*

About UKSIF

Our mission

UKSIF promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. We also seek to ensure that individual and institutional investors can reflect their values in their investments.

What we want to achieve

UKSIF supports the UK finance sector to lead the world in advancing sustainable development through responsible investment and other financial services. The UK's sustainable finance capacity is central to the transition to a sustainable resilient economy both locally and across the globe. It also offers a key strategic advantage as the UK seeks to remain the world's leading finance centre.

Our members and affiliates

72 Financial Institutions

Includes investment managers, banks and investment banks

65 Investment Consultants, Research Providers & Professional Advisers

52 Financial Advisers

57 Pension Funds, Foundations and Others

Includes occupational pension funds, charitable foundations, NGOs and trade unions

Becoming a member

As an UKSIF member, you join a world-leading cluster of sustainable investment and finance organisations and practitioners. Our services support you in building relationships, trust, competencies and knowledge. In addition, we work with you to champion sustainable finance, develop markets and tackle market failures.

Our networking and member services support your innovation and achievement in this rapidly developing field. They include:

- Opportunities to deepen your relationships with other members and opinion formers through our networking events programme
- Routes to highlight innovation and leadership, including our online member directory, social media usage and "Future of Investment" reports
- Targeted support for selected member categories, including our analyst seminar programme and our financial adviser training conferences
- Access to "What's New", our monthly update on UKSIF activities, and invitations and conference discounts from UKSIF partners

Our convening and advocacy add to your influence on policy-makers and the market.

Current priorities include:

- Carefully targeted joint advocacy by senior executives of major investment institutions (eg. collective letters)
- Seminars and policy-maker dialogues to enable market participants to exert influence
- Our collective marketing campaign National Ethical Investment Week to increase awareness and understanding of sustainable investment and finance

Visit www.uksif.org for further information on:

- Our current strategic plan
- Our publications and other resources
- Benefits of membership and how to join us
- Free affiliation for qualifying occupational pension funds and charity investors

Welcome



Martin Clarke
Chair



Penny Shepherd MBE
Chief Executive

Sustainability issues are never far from the headlines today, whether from the fall-out and regulatory response to the global financial crisis, the popular and passionate demonstrations around the world for new thinking in capital markets or the ongoing threat to the world's resources from a population growing in wealth and numbers.

Against this background, UKSIF has continued to be a network for those working close to the issues in the sustainable investment and finance sectors, convening on important topics and being a voice that encourages positive thoughts and initiatives. We thank our members for their commitment and encourage others to join us.

Highlights of our work in 2011-12

Third report on responsible investment by corporate pension funds achieved FTfm front page coverage; launch kindly hosted by National Association of Pension Funds (NAPF).

UKSIF Chief Executive Penny Shepherd **appointed to the government's Green Investment Bank Advisory Group.**

Fourth National Ethical Investment Week saw 40 events (21% increase from 2009) at 18 locations; 350 financial advisers (40% increase from 2009) engaged.

Over 400 UKSIF media hits from April 2011-March 2012; National Ethical Investment Week coverage, one third of total, delivered over £400K advertising value equivalent - greater than UKSIF's annual income.

24 ESG analyst seminars on thematic and public policy issues attracting 850 attendee registrations.

Over 500 investment professionals from 27 countries participated in **10th Anniversary Thomson Reuters Extel / UKSIF SRI & Sustainability Survey**, up from over 400 in 2011.

Indicators of UK Leadership in Sustainable Investment and Finance

13% of signatories to the UN-backed Principles for Responsible Investment come from the UK (July 2012: 139 of 1085 signatories). The UK ranks second in signatory numbers. Since Summer 2010, asset manager signatories have increased to 84 (2010: 57; 47% increase) and asset owner signatories to 28 (2010: 22; 27% increase) while professional service provider signatories have remained more stable at 27 (2010: 26; 4% increase).

Over 187 asset manager, 55 asset owner and 14 service provider signatories worldwide¹ have committed to the UK Stewardship Code on responsible asset ownership.

¹ From www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance/UK-Stewardship-Code/UK-Stewardship-Code-statements.aspx (July 2012)

Supporting Leadership

Our support for UK leadership in advancing sustainable development through investment and finance includes:

Championing long-term responsible ownership and investment to public policy-makers and industry opinion formers

In 2011, we championed practical measures to advance long-term responsible investment in response to the Kay Review of UK Equity Markets and Long-Term Decision Making, the Financial Reporting Council consultation on the UK Stewardship Code and other UK and EU consultations. In 2012-13, we will continue this focus, building particularly on Professor Kay's recommendations.

"Market-based solutions and incentives to drive improvements in accountability, customer demand, governance and transparency are an effective way to deliver long term investment decision making. However, all parts of the investment chain need to act to improve the way that equity markets behave today."

—UKSIF Response to the Kay Review's Call for Evidence

Accelerating green finance and impact investing

In partnership with others, we are supporting the creation of the UK Green Investment Bank and influencing corporate sustainability reporting requirements and regulatory approaches to social impact investment.

Assisting our members to develop their practices

UKSIF's analyst seminar programme catalyses debate on emerging environmental, social and governance issues and assists our members to develop their practices. 2011-12 seminar topics included: The Dodd Frank Act: Implications for Investors in the Extractives Industry; Water: Risks and Opportunities; Implementation of the UK Bribery Act; and Gender Diversity on Boards.

UKSIF is Thomson Reuters' partner for the Extel SRI & Sustainability Survey. Celebrating its 10th anniversary in 2012, the Survey recognises leading sell-side research and SRI fund management.

The UKSIF website is the hub for our news, resources and policy responses as well as events and jobs advertised by our members. Other activities include our Annual Lecture and our support for the City of London's Sustainable City Awards.

"The UKSIF Analyst Programme facilitates vibrant debate on ESG issues and creates a strong network of investment analysts. The Analyst Committee advises on key priorities for events and other activities focused on UKSIF's investment analyst and research members."

—Bozena Jankowska, Chair UKSIF Analyst Committee

Supporting global cooperation to advance sustainable investment

UKSIF is a founder member of the European Sustainable Investment Forum (Eurosif). We are also part of an increasingly strong global network of regional and national sustainable investment membership organisations. In early 2012, we hosted the second annual strategic summit of network leaders in London. Later this year, we plan to publish together our first global survey of the sustainable investment market.

Growing Markets

Our support for the growth of UK market demand for responsible investment and other financial services that advance sustainability includes:

National Ethical Investment Week



National Ethical Investment Week (NEIW) is a campaign to ensure that everyone knows that they have green and ethical options for their finance and investment decisions. Due to be held for the fifth time in 2012, the Week brings together advisers, charities, financial organisations, NGOs and faith groups to spread the word about green and ethical investing. NEIW has inspired national SIFs across Europe to organise their own promotional weeks.

Ethical Investment Association and Transparency Code



The Ethical Investment Association (EIA) is UKSIF's financial adviser chapter. Members commit to support increased access to advice on green and ethical investments and to improve their own expertise. The EIA holds regular training conferences and provides networking and marketing support. UKSIF and EIA champion the European SRI Transparency Code which encourages product providers to demonstrate their commitment to transparency on green and ethical issues.

Support for Pension Funds and Charity Investors



UKSIF supports and encourages occupational pension funds and charity investors to adopt more sustainable and responsible investment strategies. We provide practical information, signposting and free affiliation.

In 2011, we launched the third *Responsible Business: Sustainable Pension* report which highlights RI good practice by corporate pension funds and introduced the first *National Ethical Investment Week Action Guide for Charities*. We influenced the new Charity Commission Guidance *CC14: Charities and Investment Matters* and increased our focus on social impact investing.

Members and Affiliates (Summer 2012)

Banks

Bank of America Merrill Lynch
Bank of London & The Middle East
Barclays Bank
Charity Bank
The Co-operative Banking Group
Ecology Building Society
HSBC
Lloyds Banking Group
Standard Chartered
Triodos Bank
—

Investment Management Institutions

Aberdeen Asset Management
Active Earth Investment Management
Alquity Investment Management
Amber Infrastructure
Armstrong Asset Management
Aviva Investors
AXA Investment Managers
Baillie Gifford
Beetle Capital
Bridges Ventures
R C Brown Investment Management
Cazenove Capital Management
CCLA Investment Management
Cheviot Asset Management
Earth Capital Partners
Ecclesiastical Investment Management
Epworth Investment Management
Equitix
F&C Management
Fidelity Investment Management
Foresight Group
Friends Life
Generation Investment Management
Goldfield Partners
Governance for Owners
HartHill
Hazel Capital
Henderson Global Investors
Hermes Equity Ownership Services
Hunter Hall International
Impax Asset Management Group
Ingenious Capital Management
Insight Investment
Jupiter Asset Management
Kames Capital
King and Shaxson
Kleinwort Benson Investors
Legal & General Investment Management

Living Planet Fund Management
Maybank MEACP
Newton Investment Management
Oppenheim & Co.
Osmosis Investment Management
Pictet Asset Management
Premier Asset Management
The Premier Group (Isle of Man)
Rathbone Greenbank Investments
RCM (UK)
Sarasin & Partners
Schroder Investment Management
Social Finance
The Social Investment Business
Standard Life Investments
Threadneedle Investments
Truestone Asset Management
WHEB Asset Management
—

Investment Banks

Citi Investment Research
Crédit Agricole Cheuvreux
Goldman Sachs
Morgan Stanley
Sustainable Development Capital
UBS
—

Pension Funds & Charity Investors

BT Pension Scheme [a]
Dolphin Square Foundation [a]
Environment Agency Pension Fund
Esmee Fairbairn Foundation [a]
Friends Provident Foundation [a]
Joseph Rowntree Charitable Trust
Joseph Rowntree Foundation [a]
Lloyds TSB Group Pension Scheme no 1 [a]
Lloyds TSB Group Pension Scheme no 2 [a]
London Pensions Fund Authority
Marks & Spencer Pension Fund [a]
Merseyside Pension Fund [a]
NEST Corporation [a]
Pension Protection Fund [a]
Polden-Puckham Charitable Foundation
Railway Pension Investments
Staffordshire Pension Fund [a]
Universities Superannuation Scheme (USS)

Investment Consultants

AllenbridgeEpic Investment Advisers
Aon Hewitt
Mercer Investment Consulting
Towers Watson
—

Financial Advisers

Abbott & Booth Ethical Financial Planning
Ashlea Financial Planning
Aspen Financial Services
Barchester Green Investment
Chris Broome
Bromige
Barry Brown
Cockburn Lucas IFC
T F Colby Associates
Concept Financial Solutions
Cotswold Financial Planning
Sarah Del Bravo
Richard Essex
Ethical Financial Planning
The Ethical Investment Co-operative
Ethical Investors Group
Ethical Investors Group (South West)
The Ethical Partnership
Ethical Futures
Ethikos
Alex Farrow
The Financial Planning Group
Finansec Green
Gaeia
Ian Green
Sean Harris
Heron House Financial Management
Highcliffe Financial Management
Holden & Partners
Interface Financial Planning
Investing Ethically
Stacey Johnson
Dr Robin Keyte
Kingswood Consultants
Keith Lamley
Life Financial Planning
Lighthouse (Impact)
MAD Investing
Colm McMenamin
Jan Oliff
Tanya Pein
Platinum (SRI) Financial Services
Prest Financial Services
Principal & Prosper

Profits With Principle
Smythe & Walter
Southgate Financial Services
Stewart Investment Planning
Syndaxi Chartered Financial Planners
Virtuo Wealth Management
Graham Walton
Robin Wood
—

**Research Providers & Professional
Advisory Firms**

3D Offshore Perspectives
Acclimatise
AccountAbility
Acona
Agora Microfinance Partners
Andlug Consulting
Appleseed Training
Association of Independent Financial
Advisers (AIFA)
Bloomberg
Camradata
Centre for Social and Environmental
Accounting Research
ClearlySo
Clifford Chance
CO3
CorporateRegister.com
CSR Consulting Ltd
Andrew Dakers
Julia Dreblow (SRI Services)
Ecopush
EIRIS
EnviroMarket
Ethical Screening
FTSE Group
Future Value
GeoCapita
GMI Ratings
Hawk Search
Inrate
Institute for Democracy and Conflict
Resolution
Investing for Good
Jones Lang LaSalle
Kaleidoscope Policy and Research
MainStreet Partners
Professor Chris Mallin
Manifest
Marksman Consulting
Medlar Advisers
Meteos

Mirador Consulting
MSCI
Professor Andy Mullineux
oekom research
Paradigm Change Capital Partners
PIRC
Point Target
Rayner Spencer Mills
Responsible Investor
Robinia Invest
SAM Indexes
Sancroft
Sceptre International Group
SI Partners
SRI-CONNECT
SustainAbility
Sustainalytics
Thomson Reuters
Trucost
Vigeo Group
WCO2
West Sands Advisory
Worthstone
—

Other Organisations

Amnesty International UK
Angier Griffin
ASrIA
Big Issue Invest
Blue and Green Communications
Carbon Disclosure Project
Carbon Tracker
Charity Finance Group
Church of England Ethical Investment
Advisory Group
Community Development Finance
Association (CDFA)
ecoConnect
The Ecumenical Council for
Corporate Responsibility (ECCR)
The Environmental Industries
Commission
The European Association for
Philanthropy & Giving (EAPG)
Eurosif
FairPensions
Forest Footprint Disclosure
Forum for the Future
ifs School of Finance
International Institute for Environment
and Development
Just Share

KoSIF
London Rebuilding Society
LSE Sustainable Investment Society
The new economics foundation (nef)
Oikocredit
Oxfam
Relationships Global
Renewable Energy Association
RIAA
Charles Scanlan
SEIU Capital Stewardship
Shared Interest Society
Social Investment Organization
(Canada)
Social Return on Investment (SROI)
Tomorrow's Company
Traidcraft Exchange
US SIF: The Forum for Sustainable
and Responsible Investment
WWF - UK

[a] = Affiliate

Board of Directors

Martin Clarke, *Chair*
Pension Protection Fund

Sagarika Chatterjee, *Vice Chair to June 2012*
F&C Management

David Harris, *Vice Chair*
FTSE Group

Roseanne Newbould, *Treasurer (from November 2011)*
KPMG

Peter Webster, *Treasurer (to November 2011)*
EIRIS

Geoff Burnand (*from November 2011*)
Investing for Good

Barry Clavin
The Co-operative Banking Group

Adam Frost (*from November 2011*)
Sarasin & Partners

Aled Jones (*to November 2011*)
Mercer

My-Linh Ngo

Will Oulton
First State Investments

Julian Parrott
Ethical Futures

James Vaccaro
Triodos Bank

Amanda Young
Newton Investment Management

Board Members serve in a personal capacity. Organisational affiliations are given for information only.

Staff

Penny Shepherd MBE, *Chief Executive*

Niaz Alam, *Chief Operating Officer (to November 2011)*

Rachel Annison, *Events Officer (to November 2011)*

Caroline Escott, *Programme Director and Head of Government Relations (from April 2012)*

Tom Lafford, *Events and Office Administrator (from March 2012)*

Pamela Lindegaard, *PA to the Chief Executive and Company Secretary*

Catalina Secreteanu, *Programme Manager (to June 2012)*

Raj Singh, *Senior Communications Officer (from June 2012)*

Lisa Stonestreet, *Programme Director*

Advisory Group Members

Analyst Committee:

Bozena Jankowska (Chair, RCM), Victoria Barron (Hermes EOS), Cleo Biron (Cazenove Capital Management), Marc Brammer (MSCI), Meg Brown (Citi Investment Research), Barbara Evans (Bloomberg), Robert Nash (Oxfam), Meryam Omi (Legal & General Investment Management), Ryan Smith (Kames Capital), Rick Stathers (Schroders), Mike Tyrrell (SRI-Connect), Robert Walker (CA Cheuvreux)

Leadership Committee:

Martin Clarke (Chair, Pension Protection Fund), Adam Frost (Sarasin & Partners), Bozena Jankowska (RCM), Paul Reynolds (The Institute and Faculty of Actuaries), James Stacey (Earth Capital Partners), Steve Waygood (Aviva Investors)

Market Committee:

Helen Wildsmith (Acting Chair, CCLA), Geoff Burnand (Investing for Good), Barry Clavin (The Co-operative Banking Group), Caroline Fiennes (Giving Evidence), Martin Fox (Bulletin Group), My-Linh Ngo, James Vaccaro (Triodos Bank), Amanda Young (Newton Investment Management)

Sustainable Pensions Advisory Board:

Michael Deakin (Chair, Michael Deakin Consultancy Ltd), Sally Bridgeland (BP Pension Trustees), Jocelyn Brown (Financial Reporting Council), Tim Currell (Aon Hewitt), Jane Goodland (Towers Watson), David Harris (FTSE Group), Catherine Howarth (FairPensions), Emma Hunt (Towers Watson), Aled Jones (Mercer), David Paterson (NAPF), Hugh Savill (ABI), Mike Taylor (London Pensions Fund Authority), Helene Winch (BT Pension Scheme)

National Ethical Investment Week Advisory Board:

Penny Shepherd (Chair, UKSIF), Lee Coates (Ethical Screening), Margaret Craig (ABI), Lord Deben (AIFA), Fay Goddard (The Personal Finance Society), Chris Mills (The Co-operative Banking Group), Julian Parrott (Ethical Investment Association), Mark Robertson (EIRIS), Gavin Shreeve (ifs School of Finance)

Ethical Investment Association Advisory Board:

Julian Parrott (Chair, Ethical Futures), Olivia Bowen (Gaeia), John Ditchfield (Barchester Green Investment), Richard Essex (Grayside Financial Services), Lisa Stonestreet (UKSIF), Helen Tandy (Gaeia)



info@uksif.org
www.uksif.org
020 7749 9950

Holywell Centre
1 Phipp Street
London EC2A 4PS

Printed by Severn Print
on 100% recycled paper
Design by Transfer Studio

This publication should not be taken as financial advice or seen as an endorsement of any particular company or individual. Whilst every effort has been made to ensure the information contained in this document is precise, UKSIF cannot guarantee accuracy.