

UKSIF ANNUAL REVIEW 2012-13

*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 as a world leader 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

68 Financial Institutions

Includes investment managers, banks and investment banks

64 Investment Consultants, Research Providers & Professional Advisers

Includes investment consultants, social finance, research and related providers of professional services

50 Financial Advisers

60 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 policymakers and the market.*

Current priorities include:

- Carefully targeted joint advocacy by senior executives of major investment institutions (eg collective letters)
- Seminars and policymaker dialogues to enable relevant market participants to exert influence and inform UKSIF policy
- Our collective marketing campaigns National Ethical Investment Week and Ownership Day 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



Simon Howard
Chief Executive

The need for greater understanding and consideration of sustainability in finance (in the widest sense of the phrase) has been shown by three issues in the past year. The shrinking of Arctic sea ice to its lowest recorded level in 2012 perhaps shows the consequences of past environmental errors; the start of a public debate on fracking in the UK shows the national attitude to energy and the environment in the future remains unclear; and the widespread anger over tax arrangements made by some large multinational companies highlighted the complexity of international finance.

Against this background, which cries out for initiative and leadership, UKSIF seeks to provide both by being the UK network for those working in the sustainable investment and finance sectors. We are working to improve things in three main ways: we convene on important topics, we provide a voice that encourages positive thoughts and initiatives, and we provide a network for our member firms and their staff to share ideas and mutual support.

We thank our members for their commitment and encourage others to join us. Our task is to build on the UK's leadership position in sustainable investment and finance to build a resilient and sustainable economy.

Highlights of our work in 2012-13

The fifth **National Ethical Investment Week** generated a significant increase in press coverage (over £550K in advertising value equivalent in 2012, up from £400K in 2011). Our social media footprint and the number of website visitors also grew, and 430 financial advisers engaged with the Week (72% increase since 2009).

Ownership Day, a new national initiative, was launched on 12 March 2013, with a Parliamentary reception at the House of Commons on the day. The initiative was welcomed by a wide range of stakeholders and will be developed further in 2014.

The fourth report in the Future of Investment series, **The Future of Investment: Impact Investing**, was launched in August 2013, deepening UKSIF's commitment to working with investors and thought-leaders in this growing space.

Over 500 investment professionals from 29 countries participated in the **2013 Thomson Reuters Extel/UKSIF SRI & Sustainability Survey**.

Over the period UKSIF held **more than 20 ESG analyst seminars** on thematic and public policy issues attended by over 800 people, and we received over **400 media hits** in a wide variety of traditional and new media.

Supporting Leadership

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

Championing long-term responsible ownership and investment to policymakers and industry opinion formers

Over the past year, we continued to lobby for measures to support long-term sustainable investment in response to the Kay Review of UK Equity Markets and Long-Term Decision Making. This included UKSIF giving oral evidence to a high-profile Parliamentary inquiry into this issue and we were recently pleased to hear that the MPs' pension fund has now signed up to the Stewardship Code - one of UKSIF's long-standing campaigns. In 2013, we continue to support the implementation of relevant Kay Review recommendations as well as working with our members on policy issues surrounding non-financial reporting and sustainable pension provision.

Accelerating green finance

2012 saw the creation of the Green Investment Bank, as supported by UKSIF in partnership with others. We have also worked with our members and other organisations to champion decarbonisation targets and request a Parliamentary inquiry into the approach of the Treasury towards resource depletion, climate change and growth issues; this campaign made the front page of FTfm and we continue to focus on it.

Supporting the growth of impact investment

In 2012, UKSIF worked to create a supportive policy environment for impact investment practices; this included our responses to key consultations from the Financial Conduct Authority and the Parliamentary Commission on Banking Standards. In 2013, we continue to support our members' engagement with policymakers and regulators on impact investment issues.

Assisting our members to develop their practices

UKSIF's programme of analyst seminars continues to stimulate debate on the latest environmental, social and governance issues, enabling our members to deepen their practices. 2012-2013 seminar topics included: Tax Responsibility, Engagement with Companies in Asia, Investment in Green Infrastructure, Sustainability and Business Leadership and the Green Investment Bank legislation.

The 2013 Thomson Reuters Extel/UKSIF SRI & Sustainability Survey saw over 500 investment professionals from 29 countries take part in what is the most extensive assessment of socially responsible investing (SRI) in the European investment community.

The newly re-designed UKSIF website and social media capabilities remain the hub for our news, resources and policy responses as well as events and jobs advertised by our members. Other activities include our well-attended Annual Lecture and our support for the City of London's Sustainable City Awards.

"The UKSIF Analyst Programme catalyses discussions on emerging ESG issues and has helped create a stronger community and network of investment analysts."

Meryam Omi, Head of Sustainability, Legal & General Investment Management

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 they have sustainable and ethical options for their finance and investment decisions. Due to be held for the sixth time in 2013, the Week brings together advisers, charities, financial organisations, NGOs, faith groups, and consumers, to spread the word about sustainable 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.

Ownership Day



Ownership Day is a new national initiative to raise awareness of the financial benefits of active ownership and stewardship for investors. It aims to encourage the use of shareholder rights by asset owners via their asset managers, such as the right to vote at a company's annual general meeting. We believe more effective use of such rights can support long-term value creation in companies. Ownership Day was held for the first time on 12 March 2013.

Impact investing



A growing field within sustainable and responsible investment, UKSIF champions the development of a healthy impact investment market, with the engagement of both retail and institutional investors. UKSIF launched the "Future of Investment: Impact Investing" report in 2013, with contributions from an expert panel, and convened an Impact Investing Reference Group to feed into our strategy for future impact investment work.

Support for Pension Funds

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.

Members and Affiliates (Summer 2013)

Banks

Bank of America Merrill Lynch
Bank of London & The Middle East
Barclays Bank
Charity Bank
Citi
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
Allia
Alliance Trust Investments
Allianz Global Investors
Alquity Investment Management
Amber Infrastructure
Aviva Investors
AXA Investment Managers
Baillie Gifford
Beetle Capital
Big Society Capital
Bridges Ventures
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
First State Investments
Foresight Group
Generation Investment Management
Governance for Owners
Henderson Global Investors
Hermes Equity Ownership Services
Hunter Hall International (UK)
Impax Asset Management Group
Ingenious Capital Management
Insight Investment
Iona Capital
Jupiter Asset Management
Kames Capital
King and Shaxson

Kleinwort Benson Investors
Legal & General Investment Management
Newton Investment Management
Osmosis Investment Management
Pictet Asset Management
PIMCO Europe
Premier Asset Management
The Premier Group (Isle of Man)
Rathbone Greenbank Investments
Sarasin & Partners
Schroder Investment Management
Social Finance
The Social Investment Business
Standard Life Investments
Threadneedle Investments
Truestone Asset Management
WHEB Asset Management
—

Investment Banks

Kepler Cheuvreux
Goldman Sachs
Morgan Stanley
Sustainable Development Capital
—

Pension Funds & Charity Investors

BT Pension Scheme [a]
Council of Lutheran Churches [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]
The LankellyChase Foundation [a]
Lloyds TSB Group Pension Scheme no 1 [a]
Lloyds TSB Group Pension Scheme no 2 [a]
Local Trust [a]
London Pensions Fund Authority
Marks & Spencer Pension Fund [a]
Merseyside Pension Fund [a]
NEST Corporation [a]
Panahpur [a]
Pension Protection Fund [a]
The Pensions Trust [a]
Polden-Puckham Charitable Foundation
Railway Pension Investments
The Representative Body of the Church in Wales [a]

Staffordshire Pension Fund [a]
Universities Superannuation Scheme (USS)
URC Investment Committee [a]
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Investment Consultants

Aon Hewitt
Cambridge Associates
Mercer Investment Consulting
Towers Watson
—

Financial Advisers

Abbott & Booth Ethical Financial Planning
Ashlea Financial Planning
Barchester Green Investment
Matt Broadhurst
Bromige
Barry Brown
Care Financial
Charles Derby NI
Churchill Ethical Wealth Management
T F Colby Associates
Consilium Asset Management
Cotswold Financial Planning
Kevin Croker
Richard Essex
Ethical Financial Planning
The Ethical Investment Co-operative
Ethical Investors Group
Ethical Investors Group (South West)
The Ethical Partnership
ethicalfutures
Ethikos
Alex Farrow
The Financial Planning Group
Gaeia
Green Financial
Andrew Hall
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)
Columba McMenamin

Oaktree Wealth Management
Jan Oliff
Tanya Pein
Platinum (SRI) Financial Services
Prest Financial Services
Profits With Principle
Smythe & Walter
Southgate Financial Services
Stewart Investment Planning
Virtuo Wealth Management
Graham Walton
Robin Wood
—

**Research Providers & Professional
Advisory Firms**

3D Offshore Perspectives
Abundance Generation
AccountAbility
Adams Partners
AimTwoThree
Andlug Consulting
Appleseed Training
Association of Professional Financial
Advisers (APFA)
Augusta & Co
Bloomberg
Camradata
Carnstone Partners
Centre for Social and Environmental
Accounting Research
ClearlySo
Clifford Chance
CorporateRegister.com
CSR Consulting
Andrew Dakers
Julia Dreblow (SRI Services)
Ecopush
EIRIS
EMG CSR Consultancy
EnviroMarket
Ethical Screening
FTSE Group
GeoCapita
Global Ethical Brokerage
GMI Ratings
Hardman Research
Hawk Search
Inrate
Institute for Democracy and Conflict
Resolution
Investing for Good
Kaleidoscope Policy and Research

MainStreet Partners
Professor Chris Mallin
Manifest
Marksman Consulting
Medlar Advisers
Meteos
Mirador Consulting
MSCI
oekom research
Paradigm Change Capital Partners
PIRC
Point Target
Prime Advocates
Proxycensus
Rayner Spencer Mills
Responsible Investor
Robinia Invest
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 Tracker
CDP
Charity Finance Group
Church of England Ethical Investment
Advisory Group
Community Development Finance
Association (CDFA)
CtW Investment Group
The Ecumenical Council for
Corporate Responsibility (ECCR)
The Environmental Industries
Commission
The European Association for
Philanthropy & Giving (EAPG)
Eurosif
Forum for the Future
ifs School of Finance
International Institute for
Environment and Development

Just Share
KoSIF
London Rebuilding Society
LSE Sustainable Investment Society
new economics foundation (nef)
Oikocredit
Oxfam
Renewable Energy Association
RIAA
ShareAction
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

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

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Tom Lafford *Office and Events Administrator (to December 2012)*

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

Susanna Mattingly *Office and Events Administrator (from February 2013)*

Raj Singh *Programme Director*

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