

UKSIF

UK Sustainable Investment
and Finance Association

Annual Review 2013-14

Growing the market. Being the voice. Networking.



Our Strategy 2014–15

The membership network for UK sustainable and responsible financial services

Our Mission



To promote 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

Our Aims



- To **grow the UK market** for sustainable investment and finance to the benefit of members and asset owners
- **Be the voice** for responsible investment to inform and influence action by policy makers, the public and other key stakeholders
- To leverage our member **network** by sharing industry insight and collaborating with sector stakeholders for maximum effect

What we will do in 2014-15



GROW THE MARKET Increase acceptance and demand	BE THE VOICE Inform and influence policy makers, the public and key stakeholders	NETWORK Maximise the impact of member intelligence and activity
Further the intellectual integrity of sustainable investment and finance by promoting research and analysis and continuing sponsored <i>Future of Investment</i> reports	Continue to contribute to public policy consultations primarily at national level e.g. by exploring the potential implications of legislative changes to pensions and annuities	Co-operate and work with members and other supportive sector organisations for maximum impact on issues that will expand the sector
Grow <i>Good Money Week</i> by moving it into new sectors and reaching new audiences	Work with the relevant agencies to implement the recommendations of the Law Commission report on fiduciary duty	Promote the Ethical Investment Association, the UKSIF chapter for Financial Advisers, to the retail market
Develop <i>Ownership Day</i> as a practical support to institutional asset owners of all types	Convene members to assist the Government and policymakers on important initiatives e.g. to offer views and advice to the Government ahead of meetings such as COP 21	Continue and expand the Analyst Programme to develop its role as a source of learning, debate and sector stimulus
Identify opportunities to engage with asset owners and their advisers since they are key to market growth	Advance the debate on resource depletion e.g. push for a Parliamentary Select Committee review of the Treasury's attitude to resource depletion	Host events throughout the country and use new technology to better integrate our geographically diverse membership
Promote the range of products and services the UK sector offers	Push for relevant sustainable investment and finance policies in party election campaigns	

...and how we will prioritise



Each activity should ideally:

- Support several member groups
- Contribute to market growth and/or contribute to policy or regulatory change
- Have a measurable quantitative and qualitative output
- Be of sufficient merit to attract sponsorship to support UKSIF's financial stability

The year to summer 2014

saw contrasting news in our sector. At the political level the Prime Minister was quoted as dismissing the 'green' case in language too blunt for repetition, whilst two months later he said he "very much suspected" that the winter flooding was evidence of man-made climate change. Who knows what part our issues will play in the general election?

More encouraging was the Law Commission report on fiduciary duty which said that trustees should consider material financial factors in their work and used sustainability as an example of such a factor. At the risk of being too optimistic, the impression is that our thinking and our issues are appearing on more and more agendas.

UKSIF had a good year. We have been reviewing our strategy and how we work. The outcome is summarised opposite. This crisper and more commercial strategy statement consciously reflects member opinion that we need to keep up our standards whilst achieving more. That is the pressure the membership is under and the UKSIF team is happy to accept it as well.

Once again we thank our members for their support and their encouragement. We are committed to working with them to build a resilient and sustainable economy.

Simon Howard
Chief Executive, UKSIF



Lesley Alexander
Chair, UKSIF

240

members
and affiliates

22

events in total

6

headline events

(includes Summer Event,
AGM and Annual Lecture)

8

webinars

(compared to 1 in 2012-13)

6

submissions to
government

30%

all member email
open rate

(compared to the industry
average of only 14.8%)

356

media mentions

(includes The Sun, Guardian,
The Daily Telegraph, The Times,
Independent and Mail on Sunday.

92,154

website
page views

UKSIF

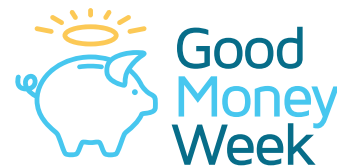
UK Sustainable Investment
and Finance Association



Achievements 2013-14

Growing the market: Increasing acceptance and demand

We helped to grow the UK market for sustainable investment and finance to the benefit of members and asset owners in the following ways:



Ownership Day 2014

Ownership Day is a national initiative to raise awareness of the financial benefits of active ownership and encourage investors to value high quality active ownership strategies.

Ownership Day 2014 launched the report 'Attitudes to Ownership 2014' sponsored by Aviva Investors and produced in partnership with the National Association of Pension Funds (NAPF). Vigeo Rating also joined as sponsor of 'How to be an active owner', our easy guide to active ownership for busy pension fund trustees.

Over 100 people attended the Parliamentary Reception at the House of Commons which heard from Paul Uppal and Barry Parr, founding Co-Chair of the Association of Member Nominated Trustees (AMNT). Attendees included over 20 MPs, peers, front bench ministers from both government and the opposition, senior regulators and civil servants.

"UKSIF has a long history of championing the vital role of responsible institutional investors, and particularly of pension funds, in a robust, sustainable economy. Ownership Day builds on this history."

- Rt Hon Stephen Timms MP, former Pensions Minister

National Ethical Investment Week becomes Good Money Week

The 6th annual NEIW was held in October 2013 and key achievements included:

-Wide variety of media coverage including The Observer, The Independent, The Scotsman, Financial Times and FT Adviser totalling an advertising value equivalent (AVE) of just over £725, 000.

-55 events were held in a wide variety of locations across the country and online. These included a Financial Times Conference for financial advisers and wealth managers, the RBC Wealth Management Sustainable Investment Conference and 'Make Your Money Count', an ethical finance conference in Bristol.

After the success of NEIW13 the decision was made to rebrand the campaign Good Money Week. The Good Money Week name was chosen after member and stakeholder consultation. It aims to reflect how sustainable investment and finance has evolved and broadened since 2008 when the first NEIW was held. We wanted something simple, accessible, welcoming and modern to illustrate our values of inclusion and relevancy.



Being the Voice: Informing and influencing policy makers, the public and key stakeholders

We were the voice for responsible investment, informing and influencing action by policy makers, the public and other key stakeholders through direct engagement and policy consultation responses. We dealt with the EU, the FCA and various Governmental and non-Governmental bodies. Examples are three pieces linked to UK pensions:

Local Government Pension Schemes

We continued to press the Government on measures to encourage a sustainable and long-term approach to public sector pensions. The UKSIF response to the Government consultation on Local Government Pension Scheme: Opportunities for collaboration, cost savings and efficiencies was focused on environmental, social and governance (ESG) risks in investment decisions and called on the Government to recognise and consider these risks. The submission also made the case for good stewardship of assets following the Kay Review, and made clear that it can lead to value creation and must be considered by asset owners and their agents.

Fiduciary Duties

We, assisted by many members, put considerable effort into our response to the Law Commission review of fiduciary duties. UKSIF argued that trustees should (rather than may) consider ESG factors in our response to The Law Commission's consultation paper. In their final report the Commission said they found no barrier to trustees considering ESG factors and, where financially material, they should take them into account. UKSIF convened a member letter to Vince Cable and Steve Webb urging them to go further and seek legal clarification.

Freedom and Choice in Pensions

UKSIF welcomed the proposed reforms and pushed hard to encourage a longer-term approach to savings. UKSIF member concerns were reflected in the submission including the short timescale in which these major reforms were being introduced. UKSIF also placed an emphasis on the need for the provision of fully impartial, high-quality guidance which took into account the full range of clients' interests and requirements including consideration of ESG factors.

In the year ahead, UKSIF will continue to press the case for greater clarification of the role of fiduciaries. The general election in May brings with it a fresh set of challenges, but also opportunities as UKSIF will seek to shape the argument on the development and expansion of the Green Investment Bank and the growth and funding of a more sustainable economy. UKSIF is working with others to advance a united and coherent strategy for influencing policy makers ahead of the UN Climate Change Conference in Paris next December and will continue to work to develop political and public support for the necessary effective action.

"The potential for joint public policy action is a key reason to be a member of UKSIF"

UKSIF member, Member Survey 2014

Caroline Spelman MP
at Ownership Day 2014 Parliamentary Reception



Networking: Maximising the impact of member intelligence and activity

We leveraged our member network by sharing industry insight and collaborating with sector stakeholders for maximum effect through a series of 22 events in 2013-14.

Members convened to discuss and debate topics such as The Law Commission's Review of Fiduciary Duties, Fracking, Sustainable Investment in China and Tax Responsibility. Average audience was around 27 attendees.

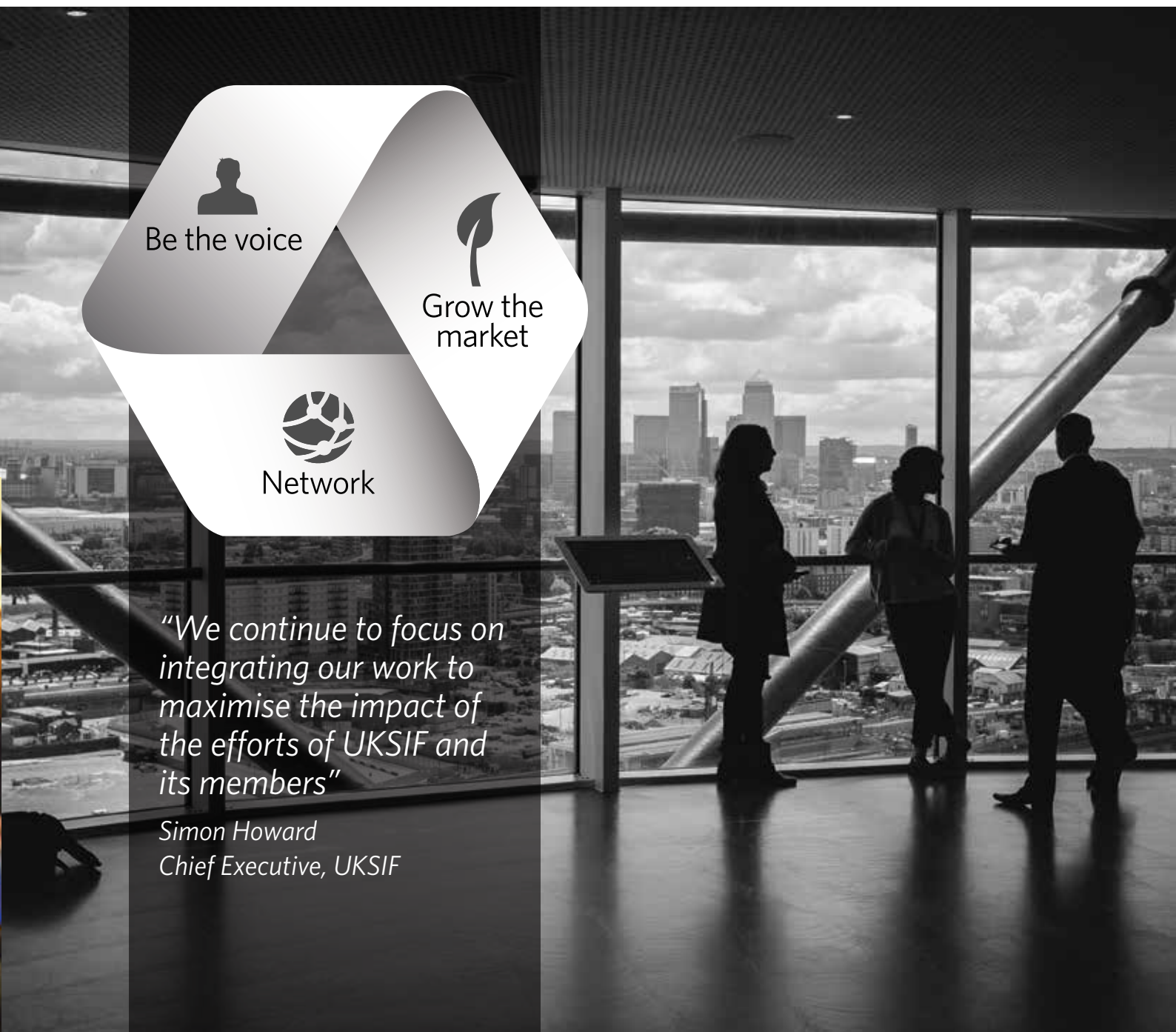
These events are the most used and valued UKSIF service with 97% of our UKSIF Member Survey 2014 respondents having attended one. Members also told us that they appreciated the high levels of attendance and our choice of well-informed and interesting speakers.

In 2014 we held our first Edinburgh Conference and delivered more webinars (8 compared to just 1 in 2012-13) in response to member calls for improved access outside London.



"We continue to focus on integrating our work to maximise the impact of the efforts of UKSIF and its members"

*Simon Howard
Chief Executive, UKSIF*



The Ethical Investment Association (EIA)

The Ethical Investment Association (EIA) is UKSIF's financial adviser chapter. EIA members commit to support increased access to advice on green and ethical investments and to improve their own expertise.

The EIA holds regular day-long training conferences in various locations in the UK and provides networking and marketing support. The EIA conferences consist of presentations from fund managers including, in the last year, Rathbone Greenbank Investments, Kames Capital, First State Investments and Alquity Investment Management. Ethical research teams, product providers and other speakers from the financial services industry and elsewhere relevant to ethical investment also presented. The EIA also holds short webinars and teleconferences on specific sustainable and ethical investment issues and products.

UKSIF and the EIA champion the European SRI Transparency Code which encourages product providers to demonstrate their commitment to transparency on sustainable and ethical issues.

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EIA members

"Those of us who have been active in the sustainable and ethical market for a long time know that clients come from all walks of life. Just like Fairtrade coffee, ethical investment is entering the mainstream and is an important part of the growing ethical consumer movement."

Julian Parrott, Ethical Futures

Member feedback and communications

UKSIF Member Survey 2014

We conducted our first UKSIF Member Survey in January 2014. Forty-six members responded to 59 questions on all aspects of the UKSIF service. Results can be found throughout this review and online at www.uksif.org. We will continue to ask members for feedback using a shorter version of the initial survey on an annual basis to ensure our service remains relevant and valuable year on year.

PR and Communications

We are simplifying and clarifying our communications in both language and design to improve access and understanding. This can be seen in our new look newsletter, email communications and this review as well as the redesign of Ownership Day and the complete rebrand of National Ethical Investment Week to Good Money Week. Members like that UKSIF communications are short, clear, to the point and direct. This process will include revising the content of our main UKSIF website in the year ahead. All media coverage can be found on our website.

"It's refreshing to have such well-written comms - not all bodies meet the standard!"

UKSIF member, Member Survey 2014



"[UKSIF] feels connected to the UK market; we seem to have a much better track into Parliament now which is important. It gives more than takes. UKSIF is easy to get value from."

UKSIF member, Member Survey 2014

"NEIW increases the profile of the sector. It attracts new investors and it's definitely a profitable venture leading to new fund inflows."

UKSIF member 2013

Members & Affiliates

Banks

Bank of America Merrill Lynch
Barclays Bank
Charity Bank
Citi
The Co-operative Bank
Ecology Building Society
HSBC
Royal Bank of Scotland
Standard Chartered Bank
Triodos Bank

Investment Management Institutions

Active Earth Investment Management
Allia
Alliance Trust Investments
Allianz Global Investors
Alquity Investment Management
Arabesque Asset Management
Aviva Investors
AXA Investment Managers
Baillie Gifford & Co
Beetle Capital
Big Society Capital
CCLA Investment Management
Earth Capital Partners
Ecclesiastical Investment Management
Epworth Investment Management
EQ Investors
Equitix
F&C Management
Fidelity Investment Management
First State Investments
FORE Advisors LLP
Foresight Group
Franklin Templeton Investments
Generation Investment Management
Henderson Global Investors
Hermes Investment Management
Impax Asset Management Group
Insight Investment
Iona Capital
Jupiter Asset Management
Kames Capital
King and Shaxson
Legal & General Investment Management
Mirova
Newton Investment Management
Pictet Asset Management
PIMCO

Premier Asset Management
The Premier Group (Isle of Man)
Quilter Cheviot Investment Management
Rathbone Greenbank Investments
Royal London Asset Management
Sarasin & Partners
Schroder Investment Management
Social Finance
The Social Investment Business
Standard Life Investments
TAM Ethical/TAM Asset Management
Threadneedle Investments
UBS
WHEB Asset Management

Investment Banks

Consilium Capital
Kepler Cheuvreux
Morgan Stanley

Investment Consultants

Cambridge Associates
Mercer Investment Consulting
Towers Watson

Pension Funds & Charity Investors

BT Pension Scheme [a]
Charles Plater Trust [a]
Church of England Pensions Board [a]
Council of Lutheran Churches [a]
The Diocese of Lancaster [a]
Dolphin Square Foundation [a]
Environment Agency Pension Fund
Esmée Fairbairn Foundation [a]
Friends Provident Foundation [a]
Golden Bottle Trust [a]
HSBC Bank Pension Trust [a]
Human Dignity Foundation [a]
Jesuits in Britain [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 Authority Pension Fund Forum (LAPFF) [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]
West Midlands Pension Fund [a]

Financial Advisers

Abbott & Booth Ethical Financial Planning
Ardent UK
Ashlea Financial Planning
Barchester Green Investment
Bromige
Brookdale IFP
Care Financial
Churchill Ethical Wealth Management
Crokera Financial Planning
Richard Essex
Ethical Financial Planning
The Ethical Investment Co-operative
Ethical Investors Group
The Ethical Partnership
ethicalfutures
Ethikos
Alex Farrow
The Financial Planning Group
Gaeia
Green Financial Advice
Harding Financial
Heron House Financial Management
Highcliffe Financial Management
Holden & Partners
Holder & Combes
Interface Financial Planning
invest-ethical
Investing Ethically
Stacey Johnson
Dr Robin Keyte/Keyte & Co
Kingswood Consultants
Life Financial Planning
Lighthouse (Impact)
Columba McMenamini
Oaktree Wealth Management
Jan Oliff
Tanya Pein
Platinum (SRI) Financial Services
Prest Financial Services

Profit With Principle
Smythe & Walter
Michael Stanley
Stewart Investment Planning
Virtuo Wealth Management
Graham Walton
Robin Wood

Research Providers & Professional Advisory Firms

Abundance Generation
AccountAbility
Dr Adel Ahmed
Aim Two Three
Andlug Consulting
Appleseed Training
Association of Professional Financial Advisers (APFA)
Augusta & Co
Bloomberg
Borg Consulting
Camradata Analytical Services
Carnstone Partners
Centre for Social and Environmental Accounting Research
ClearlySo
Clifford Chance
Corporate Register
CSR Consulting
Andrew Dakers
EIRIS
EMG CSR Consultancy
EnviroMarket
Ethical Screening
FTSE Group
GMI Ratings
Hardman Research
Hawk Search
Inrate
Investing for Good
Julia Dreblow (SRI Services)
Kaleidoscope Policy and Research
MainStreet Partners
Manifest
Meteos
Mirador Consulting
MSCI
oekom research
Peregrine Communications [a]
PIRC
Proxycensus
Rayner Spencer Mills

Responsible Investor
Robinia Invest
Social Stock Exchange
SRI-Connect
SustainAbility
Sustainalytics
Thomson Reuters
Trillion Fund
Trucost
Vigeo Group
Waterman Energy Environment & Design
WCO2
WeConvene Extel

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 and Giving (EAPG)
Eurosif
Forum for the Future
ifs School of Finance
Just Share
KoSIF
London Rebuilding Society
Oikocredit
Oxfam
Renewable Energy Association
Responsible Investment Association (Canada)
RIAA
ShareAction
Shared Interest Society
Social Return on Investment (SROI)
Tomorrow's Company
Traidcraft Exchange
US SIF: The Forum for Sustainable and Responsible Investment
WWF-UK



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Pension Protection Fund

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My-Linh Ngo
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First State Investments

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Standard Life Investments

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Charlene Cranny
Programme Manager

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Pamela Lindegaard
PA to the Chief Executive and Company Secretary

Susanna Mattingly
Programme Coordinator

Fergus Moffatt (from August 2014)
Programme Director and Head of Public Policy

Raj Singh (to February 2014)
Programme Director

Lisa Stonestreet
Programme Director

UKSIF

UK Sustainable Investment
and Finance Association

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www.uksif.org

www.ownershipday.co.uk

www.goodmoneyweek.com

www.ethicalinvestment.org.uk

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