



PRESS RELEASE

First pan-European Study on the Adoption of ESG Practices among Corporate Pension Funds Reveals that SRI is Becoming Mainstream

As European regulators prepare to launch new recommendations on sustainable and responsible investment, Eurosif's 2011 Corporate Pension Funds & Sustainable Investment Study reveals that a majority of EU corporate pension funds are already taking steps towards integrating ESG factors in investment decisions

Paris, October 3, 2011: With asset owners playing a fundamental role in influencing SRI practices, Eurosif's 2011 Corporate Pension Funds Study shows that 56% of surveyed corporate pension funds have an SRI policy in place today and that about a quarter of those without an SRI policy intend to have one on the coming year. A greater majority feel that environmental, social and governance (ESG) factors affect the long-term performance and their integration into investment decisions is part of investors' fiduciary duty. Equities, bonds and real estate are the most popular asset classes in the implementation of SRI policies.

Created with the support of DB Advisors and HSBC Global Asset Management, Eurosif's study is the first comprehensive EU-wide examination of to what extent and in what manner corporate pension funds across Europe have adopted sustainable investment practices.

Based on a survey of 169 respondents from 12 EU Member States, the study finds that 56% of corporate pension funds have an SRI policy in place. A higher percentage, 60%, consider that ESG factors affect pension funds' long-term performance. Similarly, 66% of respondents feel that having an SRI policy is part of their fiduciary duty.

François Passant, Eurosif's Executive Director, states:

"For the first time on this scale, it has been shown that the inclusion of ESG factors in the investment philosophies of European pension funds is, overall becoming mainstream with such high percentages of European pension funds already having or planning to have an SRI policy in place. Certainly, there is still a long way to go but the study clearly shows that pension funds take their fiduciary duty seriously. The debate thus moves from whether or not a pension fund should have an SRI policy to how to design the most appropriate SRI policy."

The study also reveals that the most meaningful inputs to their SRI policy for corporate pension funds are the pension fund boards and the funding company CSR policies; 85% of the study respondents feel that the CSR/sustainability policy of the funding company is a significant input for the formulation of the SRI policies.

Not surprisingly, equities and bonds, along with real estate, are the most popular asset classes for the implementation of corporate pension fund SRI policies. Conversely, commodities, a topical asset class, are covered by only 7% of the survey respondents.

Finally, the study shows that the three instruments most commonly used for SRI policy implementation are voting, negative screening and integration, with country variations. Voting is widespread among Spanish, Dutch, and British, funds, while negative screening is frequently used in Austria, Spain, and Sweden. Engagement is most common in Austria, the UK, and the Netherlands.

The 2011 Corporate Pension Funds & Sustainable Investment Study is available for download at: <http://www.eurosif.org/research/corporate-pension-funds>

If you would like to know more about the topic or schedule an interview with Eurosif, please contact Ioana Dolcos at press@eurosif.org or at +33 (0)1 48 03 92 01.



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Eurosif (the European Sustainable Investment Forum) is a pan-European network and think-tank of national Sustainable Investment Forums whose mission is to Develop Sustainability through European Financial Markets. Current affiliate members of Eurosif include institutional investors, financial service providers, academic institutes, research associations and NGOs. The association is not-for-profit entity that represents assets totalling over €1 trillion through its Member Affiliates.

Quotes:

“As pension funds have been the main driver of ESG investment growth in Europe, this study not only promotes a better understanding of this key investor segment with respect to responsible investing, but it also increases awareness and provides valuable insights into the different aspects and issues that will be driving ESG investments for years to come.”

Frank Klein, Head of ESG Europe, DB Advisors

“HSBC was keen to participate in the first comprehensive European-wide study on Corporate Pension Funds and responsible investment. By gauging the attitudes of corporate pension funds across Europe to sustainable and responsible investment practices, the asset management industry should be in a stronger position to deliver robust and responsible retirement solutions to clients and ultimately help to improve corporate practices and responsibility.”

***Melissa McDonald, Global Head of Product- Equity and Responsible Investment,
HSBC Global Asset Management***