

UKSIF calls on Plan Sponsors to champion Responsible Investment
Launch of third UKSIF Corporate Pension Funds Report

London, 29 August 2011 — UKSIF, the sustainable investment and finance association, will this week call on leading companies to assist and encourage their corporate pension funds to support the UK Stewardship Code and implement responsible ownership and investment practices. UKSIF will also say that these plan sponsors should educate employees, customers and suppliers about the value of responsible investment practices.

The call will be made at Friday's launch of UKSIF's third biennial "Responsible Business: Sustainable Pension" report on the responsible investment approaches of the UK pension funds of corporate responsibility leaders. The launch is hosted by the National Association of Pension Funds.

The 2011 "Responsible Business: Sustainable Pension" report highlights early signs of a step change in how corporate pension funds are responding to the case for responsible ownership and investment. It finds that:

- **BT Pension Scheme, Co-operative Group Pension Scheme (PACE), and F&C Asset Management Ltd. Pension Plan** each achieved Platinum ranking, giving three funds at this highest ranking, up from only one in the two earlier surveys
- **Over one in four participating funds achieved one of the two highest rankings (Platinum and Gold)**, up from one in eight in 2009 and one in eleven in 2007
- **Participation in the survey has increased overall to one in five** corporate pension funds surveyed, up from one in eight funds for the 2009 and 2007 surveys
- RI policies are regularly being applied to a broad range of asset classes. **Private equity, bonds and property** all showed strong **growth in the use of responsible investment policies** compared with 2009
- **Nearly one third of funds use specialist mandates to implement their responsible investment policy.** This proportion has doubled since 2009.
- **Funds that start on the responsible investment journey tend to deepen their practices over time.** The 2011 report provides increased evidence for this trend which UKSIF first identified in its 2009 report

Nevertheless, UKSIF says that this progress still insufficiently reflects today's strong corporate awareness of the value of sustainable business approaches and

the challenge to investors posed by the Kay Review, the Stewardship Code and other initiatives.

Michael Deakin, Chair of the UKSIF Sustainable Pensions Advisory Board, said: “Our report demonstrates heartening progress in the approach of leading corporate pension funds to responsible investment. I congratulate those funds which have scored highly in our ranking. In addition, the significantly higher response rate this year is a very welcome demonstration of increased transparency by corporate funds.”

Penny Shepherd MBE, UKSIF Chief Executive said: “Today, the Kay Review, the Stewardship Code and other initiatives are shining a spotlight on the role of investors as stewards of the long-term health of companies. But a large number of corporate pension funds are still lagging behind the leading schemes in their approach to responsible ownership and investment. This is why we are calling on Plan Sponsors to assist and encourage their pension funds to deepen their responsible investment focus.”

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for a pre-launch copy of the report.

The report will be available on the UKSIF web site from Friday 2 September.

Notes to Editors

About the 2011 “Responsible Business: Sustainable Pension” Report

The 2011 UKSIF “Responsible Business: Sustainable Pension” report is based on questionnaire responses from UK corporate pension funds of companies included in the FTSE4Good Series and the Carbon Disclosure Leadership Index in January 2011. The survey was previously run in 2009 and 2007. Responses are treated confidentially – specific funds are named only as exemplars and with their permission.

About UKSIF

UKSIF, the UK sustainable investment and finance association, promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. Its 250+ members include asset managers, investment banks, independent research providers, financial advisers, pension funds, investment consultants and non-governmental organisations. For more information, visit www.uksif.org.

About the UKSIF Sustainable Pensions Project

The UKSIF Sustainable Pensions Project (www.uksif.org/sustainablepensions) assists UK occupational pension funds to adopt more sustainable and responsible investment strategies. It seeks to encourage pension schemes to consider environmental and social and governance issues in their investment decisions, with the goal of protecting and enhancing long-term shareholder value and financial returns for the scheme beneficiaries.

The project is overseen by an independent Sustainable Pensions Advisory Board, chaired by Michael Deakin.

About the UKSIF Sustainable Pensions Advisory Board

The members of the UKSIF Sustainable Pensions Advisory Board are:

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| Michael Deakin (Chair) | Michael Deakin Consultancy Ltd |
| Sally Bridgeland | BP Pension Trustee Ltd |
| Jocelyn Brown | Financial Reporting Council |
| Tim Currell | Aon Hewitt |
| Jane Goodland | Towers Watson |
| David Harris | FTSE |
| Catherine Howarth | FairPensions |
| Emma Hunt | Towers Watson |
| Will Oulton | Mercer |
| David Paterson | National Association of Pension Funds (NAPF) |
| Hugh Savill | Association of British Insurers (ABI) |
| Mike Taylor | London Pensions Fund Authority |
| Helene Winch | BT Pension Scheme |

Members are appointed in a personal capacity. Their organisational affiliations are given for information only.

About Michael Deakin

Michael Deakin is Director of Michael Deakin Consultancy Ltd and has over 25 years investment experience. He retired as Chief Investment Officer for Insight Investment, the investment management business of the HBOS Group, at the end of September 2003. Amongst other roles, he has since served as a trustee of the HBOS pension fund and member of the boards of the Pension Protection Fund and London Pensions Fund Authority.