Introduction

UKSIF’s vision is that the UK finance sector leads 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 is not only essential for a prosperous future for all but also offers a key strategic advantage for the UK as we seek to retain our crown as the world’s leading finance centre.

In 2011, UKSIF celebrated 20 years of supporting the UK finance sector to advance sustainability through financial services. In the twenty years since 1991, responsible investment and other financial services that support sustainable development have moved from the margins to the mainstream.

The UK is now widely recognised as a global hub for sustainable and responsible financial services. UKSIF supports and develops this hub by:

- Providing a voice for the industry in the UK
- Supporting our members with networking and member services, so that they are stronger and more competitive because they draw from and contribute to this thriving cluster of expertise and innovation
- Convening our members to understand, educate and influence their stakeholders – whether these are individual and institutional clients, listed companies, regulators, government or non-governmental organisations

In 2011-2012, UKSIF plans to support the UK finance sector to lead the world in advancing sustainable development through financial services by:

- Championing long-term responsible ownership and investment in response to the Kay Review on UK Equity Markets and other public policy debates
- Accelerating low carbon, resource efficient and socially beneficial investment and finance by supporting the UK Green Investment Bank, and encouraging regulators to understand and enable sustainable investment and finance
- Assisting our members to deepen their practices through regular seminars, information exchange, support for awards programmes and other activities

We will also support the growth of UK market demand for responsible investment and other financial services that advance sustainability by assisting:

- Occupational Pension Funds with practical information, signposting and our free UKSIF pension fund affiliate option
- Consumers by running National Ethical Investment Week for the 3rd consecutive year.
-ファイナンシャルアドバイザーチャンnels, our chapter dedicated to our financial adviser members, and by involvement with National Ethical Investment Week
- Church and Charity investors by our free UKSIF charity affiliate option, activities in support of mission-related investing and specialist action guides

We thank our members for their commitment and encourage others to join us. Today, we face a significant imperative and opportunity to advance sustainability through investment and finance.

UK Sustainable & Responsible Finance 2010-11

Over the last year, UKSIF worked with its members to help them influence their stakeholders and provide a collective voice for UK sustainable investment and finance on public policy measures and other issues.

Highlights of our work include:

- Celebrated 20 years of supporting the UK finance sector to advance sustainability through financial services.
- Called successfully for a UK Green Investment Bank with independent borrowing powers. We convened our members to advocate to the Prime Minister for the world’s first development bank dedicated to the low carbon economy.
- Responded to significant EU and UK policy consultations on financial regulation and corporate governance. Informed by seminars held with our members, UKSIF advocated that effective European and UK regulation must enable and encourage sustainable capital markets and long-term responsible investment and ownership.
- Raised awareness of modern green and ethical financial services by running National Ethical Investment Week for the 3rd consecutive year.
- Championed responsible investment by UK’s new National Employment Savings Trust (NEST). We believe that NEST will act as a beacon for responsible investment practices by UK occupational pension funds.

Meanwhile the UK Sustainable and Responsible Finance Industry has seen:

- Approximately £940 billion in assets managed responsibly. This is equivalent to 14% of over £6.5 trillion in responsibly managed assets tracked by sustainable investment and finance associations around the world.
- 118 UK signatories to the UN-backed Principles for Responsible Investment. The UK ranks second in signatory numbers.
- 130 asset managers, 30 asset owners and 12 service provider signatories to the UK Stewardship Code on responsible asset ownership launched in June 2010.
- New UK government strategy to grow the social investment market so charities and social enterprises have better access to investment capital.
Supporting Leadership

20th Anniversary: Advancing sustainability through UK investment and finance
In July 2011, UKSIF celebrated its 20th anniversary at an event for its members at the House of Lords. It also launched a report calling for the UK to show global leadership in sustainable investment and finance.

Promoting sustainable finance as strategic advantage for the UK finance sector
UKSIF engaged with key leaders in the UK finance sector and its regulators to promote sustainable finance as a strategic advantage for the UK finance sector and encourage them to embed it more deeply in their organisations. In support of TheCityUK and responding to significant UK government consultations, UKSIF highlighted that sustainable finance is central to the transition to a sustainable resilient economy.

“The UK finance sector must take first mover advantage to avoid missing out on this key strategic opportunity for its continued success internationally and its economic and social contribution at home. If we get it right, the UK can remain a world leader in sustainable investment and finance. If we get it wrong, we will be left behind.”
— Taking Responsibility: Achieving Resilience, UKSIF 2011

Championing long-term responsible ownership and investment
UKSIF contributed to policy debates on long-term responsible ownership, facilitating discussion on the EU Green Paper on Corporate Governance, the UK government consultation prior to the Kay Review of UK equity markets, and other public policy issues.

“In our view, a long-term focus for corporate Britain is critically dependent on a shift to a more long-term focus within society. We would therefore encourage the government to play a leading role in driving and supporting this cultural change to long-term thinking.”
— UKSIF response to BIS Consultation on a Long-term focus for Corporate Britain

Accelerating low-carbon, resource efficient investment
UKSIF supported the creation of the UK Green Investment Bank through advocacy, influencing and facilitating dialogue between investors and policy makers. With our members, we highlighted that good governance and transparency are essential for the success of the Green Investment Bank and the importance of its role in the transition to a low-carbon economy.

Supporting ESG investment practices
UKSIF’s analyst seminar programme catalysed debate on emerging environmental, social and governance issues and assisted our members to deepen their practices. 2010-11 seminar topics included: Peak Oil Implications for Investment, Implementation of the UK Bribery Act, Gender Diversity on Boards.

“...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

Thomson Reuters Extel / UKSIF 2011 SRI and Sustainability Survey Awards
UKSIF is Thomson Reuters’s partner for the Extel SRI and Sustainability Survey. Now in its 9th year, the Survey recognises leading sell-side research and SRI fund management. CA Cheuvreux won the overall award in 2011 for SRI and Sustainability Research.

Strategic Meeting of Global SIFs
In March 2011, the leaders of sustainable and responsible investment associations around the world met for a strategic summit in New York. The discussion focused on global policy initiatives, professional education for the responsible investment industry and sharing of best practice among organisations. The next Global SIF meeting will be organised in 2012 in the UK.

What’s New and UKSIF website
Going back over a decade and with nearly 1,000 subscribers, ‘What’s New’ is UKSIF’s comprehensive monthly information digest. It keeps members informed on latest industry developments. The UKSIF website is the hub for our news, resources and policy responses as well as events and jobs advertised by our members. Follow @UKSIF on Twitter to keep in touch with the latest UKSIF news.

Developing the UK sustainable finance cluster
In 2010/11, we organised and supported over 20 networking events and awards ceremonies that brought together the UK’s world leading cluster of sustainable investment and finance practitioners. These included our Annual Lecture, and our support for the City of London’s Sustainable City Awards.
Annual Review

Growing Markets

Sustainable Pensions Project
The UKSIF Sustainable Pensions Project supports occupational pension funds to adopt more sustainable and responsible investment strategies, with the aim of enhancing long-term shareholder value and financial returns. In September 2011, UKSIF launches the third ‘Responsible Business: Sustainable Pension’ report which highlights good practice in RI by corporate pension funds. This biennial survey of the UK pension funds of Corporate Responsibility leaders shows early signs of a step change in how corporate pension funds are responding to the case for responsible ownership and investment.

“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.”

— Michael Deakin Chair
UKSIF Sustainable Pensions Advisory Board

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 quarterly training conferences and provides networking and marketing support to over 50 financial adviser firms. It makes annual awards to product providers that demonstrate their commitment to transparency on green and ethical issues through implementing the European SRI Transparency Code. The 2010 Awards went to Axa Investment Managers, Henderson Global Investors, Jupiter Asset Management and Rathbone Unit Trust Management.

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. Held for the third time in 2010, 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 in Belgium and France to organise their own green and ethical promotional weeks. (www.neiw.org)

> 2010 Highlights:
- 320+ financial advisers actively engaged with NEIW
- 35+ events held in 11 towns and cities across the UK and Ireland
- Over half (54%) of all British adults with investments want to ‘make money and make a difference’ with their savings and investments, according to YouGov research for NEIW 2010

UKSIF 2011-14 Strategy

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
The UK finance sector leads the world in advancing sustainable development through financial services.

How we add value
UKSIF advances its mission and delivers value for its members by:
» acting as a voice for the sustainable and responsible finance industry in the UK
» convening its members to understand, educate and influence governments, non-governmental organisations, business and others
» providing networking and support that enables the UK’s leading cluster of sustainable investment and finance businesses and practitioners to grow assets under management, effectiveness and productivity

What we do
Our activities are grouped into two main programmes:
Supporting Leadership
Supporting the development and delivery of responsible investment management and other financial services, and influencing the industry’s operating environment. This includes our Investment Analyst Programme, our Low Carbon Investment support and our Public Policy engagement.
Growing Markets
Educating and assisting clients though our annual National Ethical Investment Week and our Sustainable Pensions Project. Supporting financial advisers, marketing staff and distributors through our chapter for advisers, called the Ethical Investment Association, and other activities.

How we work
» We operate in the ‘co-operative space’ where a critical mass of our members wish to work together
» We seek to stimulate a healthy market in responsible finance products. We believe that, so long as accurate information is available, customers and the market should select preferred strategies
» We support transparency and effective governance and management processes within financial services. We celebrate the positive rather than criticise the negative
» Our members are our primary stakeholders but we also recognise our wider responsibilities to civil society, the environment and future generations

A full version of our strategy is available at www.uksif.org/strategy.
Our values and operating principles are available at www.uksif.org/values.
Board of Directors

Martin Clarke, Chair
Pension Protection Fund

Sagarika Chatterjee, Vice Chair
F&C Management

David Harris, Vice Chair
FTSE Group

Helen Wildsmith, Vice Chair to June 2011
CCLA Investment Management

Peter Webster, Treasurer
EIRIS

Roseanne Newbould, Board Observer, Treasurer Designate
KPMG

Barry Clavin
The Co-operative Financial Services

Aled Jones
London Pensions Fund Authority

My-Linh Ngo
Henderson Global Investors

Julian Parrott
Ethical Futures

Will Oulton
Mercer

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

Adam Ognall, Deputy Chief Executive (to December 2010)

Niaz Alam, Chief Operating Officer (from February 2011)

Rachel Annison, Events Officer (maternity cover)

Louise Hopper, Office & Events Administrator (maternity leave)

Pamela Lindegaard, Company Secretary & PA to Chief Exec

Catalina Secreteanu, Information Officer

Lisa Wootton, Project Manager

Advisory Group Members

Analyst Committee:
Jenny Anderson (Citi Investment Research), Chiew Chong (Living Planet Fund), Barbara Evans (Bloomberg), Marianne Harper Gow (Chair to May 2011, Baille Gifford), Bozena Jankowska (Chair from May 2011, RCM), Joren Van Hoogen (MSCI), Maryam Om (LGIM), Robert Nash (Oxfam), Ryan Smith (AEGON), Rick Stathers (S Schroders), Robert Walker (CA Cheuvreux), Alexia Zavos (Caenovve Capital Management).

Leadership Committee:
Sagarika Chatterjee (F&C Management), Martin Clarke (Chair, Pension Protection Fund), Adam Frost (Sarasin & Partners), Bozena Jankowska (RCM), Paul Reynolds (Pension Protection Fund), Penny Shepherd (UKSIF), James Stacey (Earth Capital Partners), Steve Waygood (Aviva Investors).

Market Committee:
Barry Clavin (The Co-operative Financial Services), Martin Fox (Bulletin Group), My-Linh Ngo (Henderson Global Investors), Penny Shepherd (UKSIF), James Vaccaro (Triodos Bank), Helen Wildsmith (Chair, CCLA).

Sustainable Pensions Advisory Board:
Sally Bridgeland (BP Pension Trustees Limited), Jocelyn Brown (FRC), Tim Currell (Aon Hewitt), Michael Deakin (Chair, Michael Deakin Consultancy Ltd), Jane Goodland (Towers Watson), David Harris (FTSE Group), Catherine Howarth (FairPensions), Emma Hunt (Towers Watson), Will Oulton (Mercer), David Paterson (NAPF), Hugh Savill (ABI), Mike Taylor (London Pensions Fund Authority), Helen Winch (BT Pension Fund).

National Ethical Investment Week Advisory Board:
Ryan Brightwell (The Co-operative Financial Services), Lee Coates (Ethical Screening), Margaret Craig (ABI), Lord Deben (AIFA), Fay Goddard (The Personal Finance Society), Julian Parrott (Ethical Investment Association), Mark Robertson (EIRIS), Gavin Shreeve (ifs School of Finance), Penny Shepherd (Chair, UKSIF).

Ethical Investment Association Advisory Board:
Olivia Bowen (The GÆIA Partnership), Lee Coates (Ethical Investors Group), Alex Farrow (Treasurer, Independent Insurance Consultants), Alan Kirkham (Investing Ethically), Julian Parrott (Chair, Ethical Futures), Lisa Wootton (UKSIF).

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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.
Membership Fees at 1 July 2011

An inflation-linked increase will apply from 1 January 2012

**Group Category**: Fee by negotiation: (£11,000 minimum)

**Category One**: Financial Institutions

| Funds over £5bn: | £5,500 |
| Funds over £1bn: | £3,300 |
| Funds over £0.25bn: | £1,650 |
| Funds over £0.1bn: | £990 |
| Other: | £500 |

**Category Two**: Research, Consultants and Financial Advisers

| Full time staff (or equivalent) of more than 50: | £1,650 |
| Full time staff of 20-49: | £825 |
| Full time staff of 10-19: | £440 |
| Full time staff of 2-9: | £220 |
| Sole Trader/Registered Individual: | £110 |

**Category Three**: Pension Funds, Private Investors, Charities and Others

| Assets over £0.5bn: | £990 |
| Assets over £50m: | £330 |
| Other: | £110 |

**Affiliates**: Significant Asset Owners**

| Pension Fund Affiliate: | No Fee |
| Charity Affiliate: | No Fee |
| Individual Supporter: | £45 |

(All fees are subject to VAT)

For more information about UKSIF Membership visit www.uksif.org/members/join.

**e.g.** where not selling investment products or services, related products or professional services or providing financial or professional services or managing their own funds. Affiliates are not UKSIF members and do not participate in UKSIF governance.

Become an UKSIF Member

As an UKSIF member, you join a world leading cluster of sustainable investment and finance organisations and practitioners. Our services support you to build 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, monthly e-digest 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 e-digest of the latest developments in UK sustainable investment and finance; and relevant invitations and 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 (e.g. collective letters)
- Seminars and policy-maker dialogues to enable relevant market participants to exert influence and inform UKSIF policy
- Our co-operative marketing campaign National Ethical Investment Week to increase awareness and understanding of sustainable investment and finance

UKSIF Membership 2011

**71 Financial Institutions**

Includes investment managers, banks and investment banks

**63 Investment Consultants, Research Providers & Advisers**

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

**56 Financial Advisers**

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

**50 Pension Funds, Foundations and Others**

Includes occupational pension funds, charitable foundations, ngos and trade unions
Members

**Banks and Building Societies**
- Bank of London & the Middle East
- Barclays Bank
- Charity Bank
- The Co-operative Financial Services
- Ecology Building Society
- HSBC Bank
- Lloyds Banking Group
- Standard Chartered Bank
- Triodos Bank

**Investment Management Institutions**
- Aberdeen Asset Management
- Active Earth Investment Management
- Alquity Investment Management
- Auriel Capital Management
- Aviva Investors
- AXA Investment Managers
- Baillie Gifford and Co
- Bank of America Merrill Lynch
- Bank of London & the Middle East
- Bank of Montreal
- Bank of Nova Scotia
- Bank of Scotland
- Bank of Tokyo-Mitsubishi UFJ
- BBVA
- BNP Paribas
- Crédit Agricole
- HSBC
- J.P. Morgan Chase & Co
- KBC Bank
- Lloyds
- Mizuho Bank
- National Westminster Bank
- Natixis
- National Westminster Trust Corporation
- Nomura
- Nordea Bank AB
- Norges Bank
- Okiu
- RBC Capital Markets
- Rabobank
- Raiffeisen
capital Management
- Santander Bank
- SEB
- Standard Chartered Bank
- Sumitomo Mitsui Financial Bank
- UBS
- Unicredit
- Villeurbanne Bank
- Wells Fargo
- WestLB
- Westpac
- WPP
- WPP Financial
- Wintershall
capital Management
- Xanadu Management
- Xander Capital
- Xanti Capital

**Investment Consultants**
- Allenbridge Epic Investment Advisers
- Aon Hewitt
- Mainstreet Partners
- Mercer
- Sceptre CO2e
- Towers Watson

**Financial Advisers**
- Abbett & Booth Ethical Financial Planning
- Ashlea Financial Planning
- Aspen Financial Services
- Baker Davies
- Barchester Green Investment
- Bromige
- Barry Brown
- T F Colby Associates
- Sarah Del Bravo
- Peter Dracup
- Richard Essex
- Ethical Financial Planning
- Ethical Futures
- The Ethical Investment Cooperative
- Ethical Investors Group
- The Ethical Partnership
- Ethikos
- Evans Ash Financial Services
- Alex Farrow
- The Financial Planning Group
- Finansec Green
- The GeIA Partnership
- Ian Green
- Heron House Financial Management
- Hettle Andrews Employee Benefits
- Highlife Financial Management
- Holden & Partners
- David Lloyd Hudson
- Innovative Financial Services
- Interface Financial Planning
- Investing Ethically
- Stacey Johnson

**Investment Banks**
- Bank of America Merrill Lynch
- Citi Investment Research
- Crédit Agricole Cheuvreux
- Goldman Sachs
- Morgan Stanley
- Oddo Securities
- Sustainable Development Capital
- UBS

**Investment Providers**
- Aberdeen Asset Management
- Avido
- AXA Financial Risks
- Baillie Gifford and Co
- Bank of America Merrill Lynch
- Bank of London & the Middle East
- Bank of Nova Scotia
- Bank of Scotland
- Bank of Tokyo-Mitsubishi UFJ
- BBVA
- BNP Paribas
- Crédit Agricole
- HSBC
- J.P. Morgan Chase & Co
- KBC Bank
- Lloyds
- Mizuho Bank
- National Westminster Bank
- Natixis
- National Westminster Trust Corporation
- Nomura
- Okiu
- RBC Capital Markets
- Rabobank
- Raiffeisen
capital Management
- Santander Bank
- SEB
- Standard Chartered Bank
- Sumitomo Mitsui Financial Bank
- UBS
- Unicredit
- Villeurbanne Bank
- Wells Fargo
- WestLB
- Westpac
- WPP
- WPP Financial
- Wintershall
capital Management
- Xanadu Management
- Xander Capital
- Xanti Capital

**Occupational Pension Funds**
- Environment Agency Pension Fund
- London Pensions Fund Authority
- Railway Pension Investments
- Universities Superannuation Scheme

**Research Providers and Professional Advisory Firms**
- 3D Offshore Perspectives
- Acclimatise
- Acona
- Agora Microfinance Partners
- Andlug Consulting
- Appleseed Training
- Association of Independent Financial Advisers (AIFA)
- Bloomberg
- CO2 Benchmark
- CO2S
- CSR Consulting
- Capita Financial Software
- Centre for Social and Environmental Accounting Research
- Clifford Chance
- CorporateRegister.com
- Corporation Financière Européenne
- Andrew Dakers
- Julia Dreblow (SRI Services)
- EIRIS
- EnviroMarket
- Ethical Investments

**Other Organisations**
- Amnesty International UK
- Angier Griffin
- ASiRA
- Big Issue Invest
- Blue and Green Communications
- Carbon Disclosure Project
- Carbon Tracker
- Carbon Trust
- Church of England Ethical Investment Advisory Group
- The Cochabamba Project
- ClearlySo
- Community Development Finance Association (CDFCA)
- Earthworks
- ecoConnect
- Ecumenical Council on Corporate Responsibility (ECCR)
- The Environmental Industries Commission
- EquiFund (IPS)
- Eurofis
- The European Association for Philanthropy & Giving (EAPG)
- FairPensions
- Forum for the Future
- Greenpeace UK
- International Institute for Environment and Development
- Ips School of Finance
- Joseph Rowntree Charitable Trust
- Just Share
- KoSiF
- LSESU Sustainable Investment Society
- nefa
- Oikocredit
- Oxfam
- Polden-Puckham Charitable Foundation
- RIAA
- Relationships Global
- Renewable Energy Association
- SEU Capital Stewardship Programme
- Charles Scannlan
- Shared Interest
- Social Investment Organization (Canada)
- SROI UK
- Tomorrow’s Company
- Traidcraft Exchange
- US SIF: The Forum for Sustainable and Responsible Investment
- WWF

*at 30 June 2011*