



New report on pension funds and responsible investment launched

More and more pension funds around the world are beginning to adopt responsible investment strategies. This trend is catalogued in a report published on 24 April 2006 by the United Nations Environment Programme Finance Initiative (UNEP FI) Asset Management Working Group (AMWG) and the United Kingdom Social Investment Forum (UKSIF). Their report, 'Responsible Investment in Focus: How leading public pension funds are meeting the challenge,' includes 15 detailed case studies of how public pension funds (with assets ranging from US \$33 million to US \$460 billion) across five continents are incorporating responsible investment commitments into their investment processes.

The examples highlight the diversity of approaches used by funds across the globe to address the issue of responsible investment.

Commenting on the report, Paul Clements-Hunt, Head, UNEP FI, said: "Until now, it has been difficult to get an appreciation how approaches to responsible investment have moved forward over the last few years. By bringing these examples together, we have made it easier for pension funds to see what is being done and what can be achieved. The report reconfirms the speed at which environmental, social and governance issues are being mainstreamed by pension funds and other institutional investors."

Pension funds highlighted in the report

- ABP (Netherlands)
- AP2 (Sweden)
- ARIA (Australia)
- Caisse de dépôt et placement du Québec (Canada)
- CalPERS (USA)
- CIA (Switzerland)
- The Environment Agency Pension Fund (UK)
- ERAFP (France)
- Fonds de Réserve pour les Retraites (France)
- Government Pension Fund (Thailand)
- Metallrente (Germany)
- Norges Bank (for Government Pension Fund) (Norway)
- PGGM (Netherlands)
- PREVI (Brazil)
- TIAA-CREF USA)

The examples are intended to inspire more pension funds worldwide to deepen their responsible investment practices and to develop their own responsible investment strategies and approaches.

Insight is a member of UNEP FI's AMWG and contributed to the development of the report. We welcome the publication of the report, as it provides some concrete examples – across a range of geographical and political contexts – of how pension funds might implement their commitments to integrate consideration of environmental, social and governance issues into their fund management processes.

While this report is a useful starting point for pension funds seeking to take action in this area, we believe there would be value in supplementing these case studies with a more focused document that provides practical guidance – a roadmap of sorts – to pension funds on how they might get started on developing and implementing responsible investment strategies. Ideally, this document would outline key steps in the process and offer practical suggestions regarding, among other things, questions to ask, the creation of organisation buy-in, the resources and skills (internal and external) required and training.



UNEP Finance Initiative
Innovative financing for sustainability

UNEP Finance Initiative, a public-private partnership between the United Nations Environment Programme (UNEP) and 165 financial institutions worldwide. Its Asset Management Working Group is a global platform of 14 asset managers that collaborate to understand the various ways ESG issues affect investment value and the evolving techniques for the inclusion of such extra-financial criteria and metrics (see www.unepfi.org/work_streams/investment/amwg/index.html).



UK
Social
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*promoting sustainable
and responsible finance*

The UK Social Investment Forum (UKSIF) is the UK's membership network for sustainable and responsible financial services. Its Sustainable

Pensions Project encourages pension schemes of companies that are leading the way on corporate social responsibility to also consider environmental and social issues in their pension fund investment decisions. (See www.uksif.org/pension-funds/sustainable_pensions)

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