



[For immediate release]

Global stock exchanges and investors address need for sustainability reporting at UN dialogue

(New York, 2 November 2009). Institutional investors and CEOs from stock exchanges around the world meet at UN Headquarters in New York today to explore how the world's exchanges can work together with investors, regulators, and business to encourage responsible long-term approaches to investment.

The event, co-hosted by the UN-backed Principles for Responsible Investment Initiative (PRI), UN Global Compact and the United Nations Conference on Trade and Development (UNCTAD), will examine the various ways in which stock exchanges can promote sustainable business practices. These include existing best practices such as enhanced sustainability reporting requirements for listed companies and the establishment of ESG (environmental, social and corporate governance) indices.

Stock exchanges around the world are becoming increasingly active in raising awareness of ESG issues and standards among listed companies, driven by calls from institutional investors through initiatives like the UNEP Finance Initiative and the PRI. One of the latter's six principles calls on investors to "seek appropriate disclosure on ESG issues by the entities in which they invest".

James Gifford, Executive Director of the PRI, explained:

"The global financial crisis convinced many investors and policy makers of the urgent need to promote better risk management, good governance and enhanced transparency to protect long-term returns. Any moves to improve corporate disclosure on ESG issues are likely to benefit exchanges through enhancing both the reputation of markets and the investability of the companies traded on them."

One of the many high-profile investors speaking at the conference will be Paul Abberley, Chief Executive of Aviva Investors in London. In November 2008, Aviva Investors called for a debate on how stock market listing authorities could help promote increased corporate transparency. Mr. Abberley said:

"We are extremely pleased with our collaboration with the UN and have high hopes that today's conference will play a catalytic role in promoting more sustainable business behaviour. Our main focus is on promoting a global listing environment that requires companies to consider how responsible and sustainable their business model is, and also encourages them to put a forward-looking sustainability strategy to the vote at their AGM. I look forward to hearing other ideas that are put forward."*



The calls of investors for greater ESG disclosure are echoed by many of the regulators, standard setters and professional accountants participating in UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). For many years, this international group has called for improvements in corporate disclosure on ESG issues and working with stock exchanges and regulators in emerging markets to help build their capacity in this area.

Supachai Panitchpakdi, Secretary-General of UNCTAD said:

"We welcome the work already done by many exchanges on this issue and this collaborative dialogue sends an important signal to listing authorities around the world that they play an important role in promoting the ESG agenda. UNCTAD research shows clearly that disclosure requirements can have a significant impact on the transparency and long-term sustainability of companies around the world".

Georg Kell, Executive Director of the UN Global Compact said:

"We are delighted to co-host this unique platform to explore how these market players can enhance corporate transparency, and ultimately performance, on ESG issues, and so encourage responsible, long-term approaches to investment. This is the right discussion at the right time, and I hope a forward-looking agenda on corporate sustainability reporting that matches investor demand will emerge as an output of this event."

More details about the event can be found at:

<http://www.unpri.org/sustainablestockexchanges09/index.php>

Notes to editor

- **For more information contact Elliot Frankal, PRI communications manager on ++ 44 (0)7989 524780 or elliott.frankal@unpri.org**
- * The purpose of the corporate responsibility reporting requirement proposed by Aviva Investors, and the associated AGM vote, is to encourage discussions on ESG issues in the boardrooms of global listed companies and how they can enhance long term returns to shareholders. The proposal suggests the UN Global Compact as an appropriate framework for boards to consider, and that reporting be conducted on a "comply or explain" basis. The three key components to the mechanics of the AGM vote itself are: (i) the report would be published in its entirety or summarised in the Report and Accounts; (ii) the vote would be advisory; and, (iii) shareholders will be asked to approve the report.
- **The Principles for Responsible Investment (PRI)**
The PRI Initiative, convened by UNEP FI and the UN Global Compact, was established as a framework to help investors achieve better long-term investment returns and sustainable markets through better analysis of environmental, social and governance issues in investment process and the exercise of responsible ownership



practices. The Principles themselves, a full list of signatories and more information can be found at www.unpri.org

- **UN Global Compact**

Launched in 2000, the UN Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption. Through the power of collective action, the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals. With over 5,200 participating companies and hundreds of other stakeholders from more than 130 countries, it is the world's largest voluntary corporate sustainability initiative.

More at: www.unglobalcompact.org.

- **United Nations Conference on Trade and Development (UNCTAD)**

UNCTAD is the focal point of the United Nations for the integrated treatment of investment and enterprise development. Since its founding in 1964, UNCTAD has progressively evolved into an authoritative knowledge-based institution whose work aims to help shape current policy debates and thinking on development. UNCTAD is the host for the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). For more than 25 years, ISAR has been the focal point within the UN system for issues of corporate transparency and accounting.

Through ISAR, UNCTAD works to promote international best practices in financial reporting and ESG disclosure and to assist developing countries to build their technical capacity in this area. More information: www.unctad.org/isar

- **United Nations Environment Programme Finance Initiative (UNEP FI)**

UNEP FI is a unique global partnership between UNEP and the private financial sector that works closely with approximately 180 financial institutions to develop and promote linkages between sustainability and financial performance. Through regional activities, a comprehensive work programme, training and research, UNEP FI carries out its mission to identify, promote and realize the adoption of best environmental and sustainability practice at all levels of financial institution operations. More information: www.unepfi.org