



An investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact

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# INTERNATIONAL INVESTORS CALL FOR FOCUS ON RESPONSIBLE INVESTING TO SECURE FUTURE OF PRIVATE EQUITY COMMUNITY 260 LPs and GPs meet at London forum today to reach consensus on key issues

(London, 10 June 2010) The past 24 months have been a difficult period for private equity: deal-volume has dropped; fund-raising has stalled; and new regulations have emerged on both sides of the Atlantic. Some investors have privately wondered whether the private equity model is fundamentally broken; a number of critics have publicly expressed similar sentiments.

Despite a wealth of challenges that remain, few institutional investors believe private equity must necessarily face a poor long-term future. Not only has the sector shown a remarkable ability to evolve in the past, but the pension funds, endowments and insurance companies who provide much of the capital for the sector have proactively started laying the foundations for a new model.

London has played host this week to two meetings that represent efforts to re-shape private equity for a more sustainable long-term future.

On 7-9 June, the International Limited Partners Association (ILPA) met for the first time in Europe. Among other issues discussed by the 150-odd investors in attendance was the ILPA Principles: voluntary guidelines that outline how private equity houses can better align their interests with those of their long-term investors.

Today, PEI Media and the UN-backed Principles for Responsible Investment (PRI) host the first-ever international conference on private equity and responsible investment. Over 260 investors and private equity houses will share experience on how attention to environmental, social and corporate governance (ESG) issues at the portfolio company level can generate better long-term risk-adjusted returns.

James Gifford, PRI Executive Directors, says "As we emerge from the crisis, the future of any type of financial service will depend on it being more clearly and consistently aligned with the interests of society as a whole. Regulation alone is unlikely to fix all the problems. By working together through investor-led organisations like the PRI, long-term investors and leading private equity houses have begun to outline in detail how private equity can be better aligned with investors and society as a whole. We believe our efforts will help to secure a future for the private equity asset class."







## Headline speakers include:

- Donald MacDonald, Chairman of the Board, PRI
- Rupert Clarke, CEO of Hermes Fund Managers Ltd
- Johannes Huth, Head of European Operations, KKR
- Mike Taylor, CEO of the London Pension Fund Authority
- Javier Echarri, Secretary General of EVCA
- Philip Jennings, General Secretary, UNIGlobal Trade Union
- Mike Powell, Head of Alternative Investments, USS
- Vincent Neate, Partner, KPMG
- Adam Black, Head of Sustainability, Doughty Hanson
- David Scaysbrook, Managing Director, Capital Dynamics
- Andrew Marino, Principal, The Carlyle Group
- Andrew Musters, Global Head of Private Equity, Robeco

A full list of speakers and a detailed agenda is available at www.peimedia.com/RIF10

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#### Notes to editor

 For more information contact Clare Allison at Capital MS&L on 0207 307 5342 or clare.allison@capitalmsl.com.

### The Principles for Responsible Investment (PRI)

The Principles for Responsible Investment, 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 <a href="https://www.unpri.org">www.unpri.org</a>

#### 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 more than 5200 participating businesses from over 130 countries, it is the world's largest voluntary corporate sustainability initiative. More at:

www.unglobalcompact.org.

#### United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a unique public-private partnership between UNEP and the global financial sector. UNEP works with over 170 banks, insurers and investment firms, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through its comprehensive work programme encompassing research, training, events and regional activities, UNEP FI carries out its mission to identify, promote and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations. More information: www.unepfi.org