

Media Release

New data signals growing 'culture change' amongst significant portion of global investors

(Sydney, 16 July 2009). A significant number of mainstream investors have 'turned a corner' on how they put responsible investment into practice according to new data from the UN-backed Principles for Responsible Investment Initiative (PRI). There are currently over 560 signatories to the PRI, an investor partnership with the United Nations Environment Programme Finance Initiative and the UN Global Compact. There are now over US\$18 trillion in assets signed up to the six principles.

The key findings of the [PRI's annual assessment of its signatories](#) show signs of a growing culture of active ownership and collaboration among investors in response to the financial crisis. Findings also show significant challenges remain around investing responsibly, in particular, in alternative asset classes and for corporate pension funds.

Almost 300 global pension funds and fund managers, all signatories to the PRI, were surveyed on how they have been implementing the [six responsible investment Principles](#) and the results found that in the last year:

- There was a **25%** increase in the number of asset owners, such as pension funds, putting responsible investment elements into contracts for the external managers of their investments (from 38% last year to 63% this year).
- Ninety-five percent of the respondents have been active owners, undertaking a total of 12,000 shareholder engagements with companies on issues such as the environment (**67.8%**), corporate governance (**68.5%**) and labour rights (**57.8%**). Over **50%** of asset and **68%** of investment managers have a documented shareholder engagement approach.
- Sixty-four percent are voting on all shareholder resolutions in domestic markets and **47%** in foreign markets.
- Approximately **85%** of the investors said they collaborated with other investors.
- Non-corporate pension funds, with some notable exceptions, are moving ahead faster in integrating ESG issues into their investment processes than corporate

funds.

- Shareholders are increasingly demanding that companies produce ESG information such as carbon emissions. **90%** of the investors asked for standardized ESG reporting from listed equity issuers in developed markets.

Donald MacDonald, Chair of the PRI Initiative and a Trustee of the BT Pension Scheme said,

“The results of this year’s PRI Reporting and Assessment process show investors around the world are turning a corner on responsible investment, despite the largest financial crisis for a generation. We are still seeing progress in all areas of responsible investment from more shareholder engagement to more integrated use of ESG research.

A large number of signatories commented that the financial market turmoil of the last year has reaffirmed their belief that proper consideration of ESG issues is important to a successful investment strategy. A holistic investment process that considers ESG factors combined with a growing culture of active ownership and investor collaboration offers institutional investors a framework that can ensure we avoid repeating the mistakes that led to the financial crisis.”

James Gifford, Executive Director of the PRI said,

“It is striking to see the growth in responsible investment in a year of financial crisis. Not only are more and more mainstream institutions signing the PRI, but this survey shows that they are moving ahead each year in their implementation of the principles”.

[Full report available here](#)

Notes to editor

- More details about the PRI can be found at www.unpri.org or in the Annual Report of the Initiative, also released today. For more information contact **Elliot Frankal**, PRI communications manager on ++ 44 (0)7989 524780 or elliott.frankal@unpri.org
- The PRI Reporting and Assessment process was managed by Mercer Investment Consulting on behalf of the PRI. Please contact **Jane Ambachtsheer**, Global Head of Responsible Investment at Mercer for more details. +1 416 868 2659.
- **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 www.unpri.org

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- **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.uneffi.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 more than 5200 participating businesses from over 130 countries, it is the world's largest voluntary corporate sustainability initiative. More at: www.unglobalcompact.org.