



RIAA WINDOW

Issue 23

> INDUSTRY NEWS

FTSE announces new ownership structure

[FTSE](#) recently announced a change to its joint-venture ownership structure, with the London Stock Exchange Group announcing that it has signed a definitive agreement to acquire the 50 per cent stake in FTSE from Pearson that the London Stock Exchange Group does not already own. Following the completion of the deal, which is expected to close Q1 2012 subject to customary closing conditions, FTSE will be wholly owned by the London Stock Exchange Group.

Sustainalytics strengthens in-house ICT capacity

[Sustainalytics](#), the global responsible investment research firm, has acquired its long-time information communication technology partner, Share Dimension. Share Dimension and Sustainalytics previously developed the state-of-the-art 'Sustainalytics Global Platform', which provides access to high quality ESG research for investors, as well as analysis of over 3,500 companies in developed and emerging markets.

Hunter Hall leading the way with charitable donations scheme

Hunter Hall International Limited (HHL), the parent company of Hunter Hall Investment Management Limited, donates 5% of its pre-tax profits to charity each year. In 2011 that amount totalled over \$860,000, bringing the total donated since 2001 (inception of the Hunter Hall Charitable Donations Scheme) to over \$8.2 million. The Scheme supports a wide range of charities. In the 10 years the scheme has been running, 120 charities have received funds from Hunter Hall.

Please [watch the video](#) to learn more about Hunter Hall's Charitable Donations Scheme.

New Forests' Australia New Zealand Forest Fund to acquire softwood plantation estate in Tasmania

The Australia New Zealand Forest Fund, a forestry investment fund managed by Sydney-based New Forests Pty Limited, has agreed to acquire a 46,000 hectare softwood plantation forestry estate located in the north of Tasmania. [New Forests](#) currently manages over 275,000 hectares of timberland properties across Australia on behalf of its institutional investment clients as well as managing investments in sustainable forestry and associated environmental markets, such as carbon, biodiversity, and water, for institutional and other qualified wholesale investors.

CAER supports publish what you pay

CAER (Corporate Analysis. Enhanced Responsibility) is a member of the [Publish What You Pay Australia](#) coalition. This month CAER has supported the submission and recommendations made by the initiative in its response to the ASX consultation on Reserves and Resources Disclosure Rules for Mining and Oil & Gas Companies. The submission calls for improved disclosure of payments to governments by ASX-listed extractive industry companies.

Publish What You Pay Australia's report [The Australian Securities Exchange: extractive industry companies and payment disclosure](#) provides some background on payment disclosure.

Investing in water – a liquid solution

In the developing world key influences are increasing populations, rising living standards, urbanisation and the need for efficient food production. The developed world requires upgrading and replacement of aging water infrastructure (this challenge is staggering - it is estimated that the US loses 26 billion litres of clean water every day from leaking pipes).

[Pathfinder Asset Management](#), a boutique Auckland based fund manager, manages a [fund specialising in listed global water companies](#) – currently 72 companies across 18 countries. As well as water infrastructure and utilities they invest in industrial companies (filtration, irrigation, pumps/pipes), technology solutions (water analysis and monitoring) and resource management consultants.

John Berry, Pathfinder's executive director, explains that investors support and believe in the water investment theme but often struggle to find a place for it in portfolios. Berry points out that there is clear evidence global water companies have outperformed wider markets over the last decade. For example the Palisades Global Water Index is up 7.5% p.a. since December 2000 while the MSCI World has returned only 1.6% p.a.

For more information please contact Pathfinder on info@pfam.co.nz.

New UK workplace pension giant to use ESG research from EIRIS

New UK workplace pension scheme NEST, the National Employment Savings Trust, [has chosen to use the not-for profit environmental, social and governance \(ESG\) research provider, EIRIS, to deliver its ESG data](#). NEST, a defined contribution scheme that has the potential to become one of the largest asset owners in Europe, said it has also signed up to the Financial Reporting Council's Stewardship Code. The FRC Code outlines guidance on engagement between investors and companies.

Stewardship working party launched to improve quality of engagement

Aviva Investors, BlackRock, Governance for Owners, Railpen Investments, Ram Trust and the Universities Superannuation Scheme have joined forces with think tank [Tomorrow's Company](#) to launch the Stewardship Working Party in the UK. The party's aim is to identify the "most effective" stewardship practices and improve institutional investors' engagement with UK companies.

New appointment at SEFA

Social Enterprise Finance Australia Ltd (SEFA) has announced the appointment of Roselyn Yap as the new SEFA Loans Manager. Roselyn has a finance background, having worked at Perpetual, Rabo Bank and CBA, as well as having managed her own business. To contact Roselyn email roselyn.yap@sefa.com.au or you may call her on [+61 2 9240 3603](tel:+61292403603).

New policy chief for ASFA

[The Association of Superannuation Funds of Australia \(ASFA\)](#) has recruited former Australian Securities and Investments Commission staffer and MLC regulatory specialist Margaret Stewart as its new general manager of policy. The appointment has been confirmed by ASFA chief executive Pauline Vamos, who pointed to Stewart's strong qualifications for the role. Stewart succeeds David Graus in the key policy position.

MSCI launches new platform

[MSCI ESG Manager](#) is an integrated online ESG research, analytics and ratings platform designed to provide asset managers and owners with an integrated suite of tools to efficiently manage ESG analysis and compliance tasks across the spectrum of environmental, social and governance (ESG) factors. Institutional investors can also generate restricted lists, download research reports and data and receive timely email alerts on notable ESG research changes.

New sustainable index – Mexico

EIRIS research has been used for the Bolsa Mexicana de Valores (BMV). [The BMV \(Mexican Stock Exchange\)](#) has just launched its first sustainability index. The index includes companies considered among the top performers on ESG issues in Mexico and is expected to encourage improved ESG practices among Mexican companies and to promote sustainable investing in Mexico.

Fracking in the US has negative impact on environment and on shares

The Wall Street Journal has reported drops of more than 6% in Encana, 5.1% at Chesapeake Energy, and 4.2% at Devon due to a fracking incident in Wyoming. The fracking took place in vertical not horizontal shafts, and relatively close to the surface as compared with fracking in deeper formations. The incident has been connected to chemicals found in the town drinking water supply, which has scared investors and led to a drop in the share price.

To learn more about the incident [visit the article](#).

Australian Sustainability Awards 2011 wrap up

[The Australian Sustainability Awards](#), held in Melbourne on December 6 2011, saw Wesfarmers named the Australian Sustainability Award 2011 Company of the Year. Judges cited Wesfarmers extensive energy efficiency drive, sustainable packaging and diverse, well-integrated community partnership programs, as part of their reason for rewarding the company.

The 2011 Erik Mather Sustainability Champion was named as Nathan Fabian from the Investor Group on Climate Change (IGCC) for his role in the very public debate on pricing carbon.

>NEWS FROM RIAA

A warm welcome to our new RIAA members

RIAA welcomes the organisations and individuals who have joined since our last newsletter. Read more about RIAA's programs or the benefits of membership or to receive more information please email us at info@responsibleinvestment.org.

Mick Steffan, Financial Adviser
Matthew Saddington, Supporting individual
Anthony Bruzzese, Supporting Individual

RIAA Members Only Website

The RIAA Members only webpage is being launched shortly! We will be sending our members a username and password to access previously unseen reports, special updates from RIAA and the RI Academy and much more.

Once you receive your login simply head to the [RIAA website](#), click on "My RIAA" and away you go to get your goodies!

RI Academy's Executive ESG Training Program for asset owners

Asset owners across the globe have been rapidly signing up to the Responsible Investment Academy's ESG Executive Training Program which is being provided in collaboration with [Highland Good Steward Management](#). The program provides complimentary market leading training to all PRI asset owner signatories.

The program provides access to the Academy's foundation course RI Essentials, recognised as the international "gold standard for ESG training". The course features content from leading international experts, real life and hypothetical case studies, best practice approaches to investment and risk management and strategies for the practical application of key ESG concepts (including financial modelling concepts).

The program is being particularly well responded to in both local and global markets and has been adopted as a 'must have' training program by leading PRI asset owner signatories. Participants include senior executives, directors / trustees and a range of investment & portfolio management, risk, corporate governance, legal & compliance, client relations, operations and other professionals.

Should you wish to learn more about this unique program please contact us at enquiries@riacademy.org.

Members who have been Certified by RIAA

RIAA congratulates members who have met the strict disclosure requirements of the Responsible Investment Certification Program since our last newsletter.

These members are now able to display the Certification Symbol that helps investors identify and compare responsible investment products. The Certification Symbol also helps to identify financial advisers with training and experience in this specialised area of financial advice.

Certification Renewal

Forester's Community Finance, Community Trust Investment Fund, Fund Manager

Newly Certified

Justin Medcalf, Green Equity Management, Financial Adviser

RIAA 2012 Conference

RIAA's famous biennial conference will be taking place on Thursday 30 & Friday 31 August, 2012 at the Sofitel in Melbourne.

Mark your calendars and get ready for another exciting conference with inspirational speakers providing insight into the trends, movements, discoveries, tools, short-cuts and resources that the industry has to offer including:

- **THE RISE OF CIVIL SOCIETY** – How shareholder engagement is changing the face of business.
- **NGO CEO DISCUSSION PANEL** – Top NGO CEO's and prominent civilian leaders tackle the hot topics: Coal Seam Gas, Gunns and Occupy Wall Street.
- **POLICY PIECES** – Engage in discussions regarding the industry and game-changing policies with representatives from the Independents, Greens, Labor and Liberal.
- **"TED TALKS" STYLE SOAP BOX** - This is an opportunity for industry professionals to speak their piece. Designed around the hugely successful TED talks this is an opportunity for participants to engage with the industry on issues which matter to them.
- **ASIA** - This part of the program will look at the emerging markets in Asia and the impact of investments and ESG integration from India, China, Malaysia, Korea and Taiwan.

More information about sponsorship opportunities and pre-registrations will be available soon. Should you have any questions please give us a call on 8228 8100 or email us at info@responsibleinvestment.org.

>RI LIBRARY

Implementing Environmental, Social & Governance Principles in Investment Decisions

Finsia, January 2012

This [paper](#) provides clear and practical guidelines to provide a framework for the implementation of environmental, social and governance (ESG) principles in investment decisions, and identify the key issues and factors that should be considered by superannuation professionals before and during implementation.

The paper specifically suggests that *"the board (and staff of the fund) will require some training in order to understand the concepts and principles involved"* and advises funds to *"consider specialist ESG education offered by the [Responsible Investment Academy](#)."*

Institutional Investors address climate change risk

Mercer, January 2012

In 2011 Mercer, in conjunction with 14 leading institutional investors and thought leaders released its report, "Climate Change Scenarios – Implications for Strategic Asset Allocation", which covered the implications of climate change on market investors. The follow up report, "[Through the Looking Glass - How Partners are Applying the Results of the Climate Change Scenarios Study](#)", recently produced reveals more than half of participating investors have taken or are planning action based on the original findings.

Better Access to Nutrition: A Growing Challenge for Food Producers

MSCI, November 2011

As fiscal and sovereign wealth problems in the US and Europe weigh on global financial markets, another problem is brewing in agricultural markets that could blunt a sustained economic recovery. World food prices have reached record levels, and show few signs of abating. Low-income consumers in the developing world have been hit especially hard, with ripple effects spreading around the globe.

[This article](#) explores some available options and highlights a new initiative to provide better global access to nutrition. For this project, MSCI's ESG Research team will support a new "Access to Nutrition Index" that tracks the nutrition practices of 25 of the world's leading food and beverage producers.

Is HIV/AIDS an issue for responsible investors?

Mark Robertson, 7 December 2011

[This report](#) considers the economic impact of a disease which affects people of all ages, particularly young adults aged between 14 and 45 who represent one of the most economically productive portions of the population.

When and why foundations should blur the line between profit-making and charity

Susan Arterian Chang & Stephen Viederman, December 2011

[This blog](#), by Susan Arterian Chang and Stephen Viederman, was written in response to an article in the New York Times on program-related investing and the Bill & Melinda Gates Foundation, Liquidia PRI.

2012 ESG Trends to Watch

Linda-Eling Lee, December 2011

As governments in major economies begin the process of unwinding the debt cycle of the last twenty years, budget cuts to social safety nets and regulatory agencies mean that consumers will bear a heavier burden of any negative social and environmental impacts arising from corporate mismanagement.

Countries and companies alike face new risks surrounding their social license to operate as communities worry about their health, security, and, increasingly, basic social equity.

Concerns about the social costs of operations have a compound effect on companies – even as governments make cuts in regulatory agencies and social benefits, the political will to enforce existing regulations will strengthen in reaction to public outcry.

View the extensive list of MSCI's identified trends to [watch here](#).

>UPCOMING EVENTS

19 March 2012, London, UK

EIRIS event on How to invest sustainably to reduce risk and identify investment opportunities

27 March 2012, Singapore

ESG Asia 2012

Responsible Investor is taking its highly successful series of ESG events into Asia for the first time in 2012. ESG Asia 2012 is presented in partnership with Responsible Research, which will add its on-the-ground knowledge of key ESG themes in Asia and its expertise in the region. The conference will focus on how investors and asset owners can integrate ESG research and practices into their investment decision-making. It will highlight key sustainability risks and opportunities in Asia and major regulatory developments. Hosted by the Singapore Exchange and in association with RIAA, UNPRI, EUROSIF, UKSIF, ASrIA and imas.

26-28 March 2012, Melbourne, Australia

Australian GRI Conference on Sustainability and Integrated Reporting

Melbourne is set to host the Global Reporting Initiative's first ever regional conference in March when an expected 300 delegates will meet with the aim of unifying sustainability reporting across Australia and the Asia Pacific region.

The Australian GRI Conference on Sustainability and Integrated Reporting will operate under the theme of Innovate – Integrate – Collaborate. Its outcomes will help inform GRI's thinking on integrated reporting and the next generation of its Sustainability Reporting Guidelines - G4

2-4 April, Sydney, Australia

2nd National Sustainable Food Summit

2-4 May, Washington DC, USA

US SIF 2012 Conference: Sustainable Investing in Action

10 May 2012, Melbourne, Australia

ACSI Annual Conference

18 – 20 June 2012, Montreal, Canada

Canadian Responsible Investment Conference

28-29 June 2012, Rio de Janeiro, Brazil

PRI in Person 2012

30 - 31 August, Melbourne, Australia

RIAA Conference

24 September 2012 Paris, France and 2 October 2012, Toronto, Canada

Finance and Sustainability Supporting and Recognizing Research Excellence

The FIR-PRI award is open to researchers and students with European passports and/or to those who are affiliated with European research institutions and/or whose focus of research is Europe. Eligible candidates are invited to submit Master Thesis, PhD Thesis, published articles or grant proposals.

14 - 20 October 2012, UK

The fifth National Ethical Investment Week (NEIW12)