

# RIAA WINDOW

Issue 9, November 2009

- > INDUSTRY NEWS
  - > RIAA NEWS
  - > RI ACADEMY NEWS
  - > RI JOBS
  - > NEW RI PRODUCTS
  - > RI MARKETING
  - > RI RESOURCES
  - > RI INSIGHTS
  - > RI RESEARCH & REPORTS
  - > UPCOMING EVENTS
  - > SEASONS GREETINGS
- 

## > INDUSTRY NEWS

### **Shakeout in the ESG analysis market**

Bloomberg signed the Principles for Responsible Investment (PRI) in September and soon after launched a dedicated environmental, social and governance (ESG) service on its Bloomberg Professional trading screens. This move, by one of the world's largest providers of financial information, will provide mainstream investors around the globe with ESG data on more than 3000 companies in 45 countries.

Global risk management and corporate governance firm RiskMetrics Group, has also acquired KLD Research & Analytics, a provider of ESG research and indices for institutional investors. The newly combined group plan to offer institutional investors a suite of ESG services so they can incorporate associated risks and opportunities into their investment processes.

The shakeout in the ESG analysis market continued this week, with the announcement of the acquisition of ASSET4 in Switzerland by news and information giant Thomson Reuters.

There has also been some movement amongst Australian research firms with CAER (Corporate Analysis Enhanced Responsibility) announcing an agreement to acquire Corporate Monitor's research and ratings business.

### **AMP wins Asset Super mandate**

Asset Super has appointed AMP to manage its socially responsible investment option, replacing Maple Brown Abbott. The option was first introduced in May 2006, and now has approximately AU\$25 million in funds under management. The option will now invest in AMP's Responsible Investment Leaders Balanced Fund.

### **Wesfarmers act on investors concerns regarding human rights**

Wesfarmers has agreed to find alternative sources of phosphate rock rather than

continue to mine in the Western Sahara, a region with a questionable human rights record. The decision came after engagement from institutional investors including Christian Super. Tim Macready, Chief Investment Officer at Christian Super, said Wesfarmers' decision is an acknowledgement by the listed company that these issues could harm its reputation.

### **Australian Ethical appoints Philip Vernon as CEO**

Former Perpetual executive Philip Vernon has taken over the top job at Australian Ethical Investment. Vernon was most recently a member of the executive committee at Perpetual, heading up its corporate trust division. He has a long held interest in sustainability and corporate social responsibility, and has also recently been invited to join the board of Planet Ark.

### **Australian Ethical calls for documentaries**

Australian Ethical is calling for filmmakers to submit two minute documentaries on the theme of 'corporate responsibility and the environment'. The winning entry will claim \$12,500 in prize money, presented at the Australian International Documentary Conference. Entries close 10 February, 2010. For more information and how to enter, click [here](#).

### **New UN PRI signatories in Australia & New Zealand**

Organisations in the region who have signed the UN backed Principles for Responsible Investment since our last newsletter include:

- Perpetual Investments, Australia
- Treasury Asia Asset Management (TAAM), Australia
- Wealth Limited, New Zealand

## **> RIAA NEWS**

### **RIAA releases its Benchmark Report 2009**

On Monday 9 November, RIAA released its 9<sup>th</sup> annual Responsible Investment Benchmark Report to more than 100 members and guests at the offices of INVESTMENT & INDUSTRY NSW in Sydney. This year RIAA was thrilled to introduce into the Benchmark Report its first ever coverage on clean technology investment in Australia.

If you were unable to attend the event and would like to obtain a copy of RIAA's Responsible Investment Benchmark Report 2009, click [here](#) to download the file, or call our office on 02 9025 5711 for a printed copy.

In an interview with evoTV, Executive Director, Louise O'Halloran, interpreted the key findings, themes and trends from RIAA's Benchmark Report 2009. To view the interview online, click [here](#) and follow the login prompts.

### **A warm welcome to our new RIAA members**

RIAA welcomes the organisations and individuals who have joined since our last newsletter. If you would like to become a member, please email [info@responsibleinvestment.org](mailto:info@responsibleinvestment.org).

### **Consultant**

Joanne Saleeba, Thrive Sustainability Services

### **Members who have been certified by RIAA**

RIAA congratulate members who have met the strict disclosure requirements of our Responsible Investment Certification Program since our last newsletter. These members are now able to display the Certification Symbol which helps investors find investment products that take environmental, social, governance or ethical issues into account, and identify advisers with training and experience in this specialised area of financial advice.

### **Superannuation Funds**

Sunsuper

### **Advisers**

Louise Edkins, Ethical Investment Advisers  
Richard Press, Wise Wealth Creation  
Steven Putt, Viridian Wealth Management  
Bill Sharp, Tas Ethical  
Rodger Spiller, Rodger Spiller & Associates  
Sophie Treloar, Vicary Securities  
Robert Vicary, Vicary Securities

For more information on the Responsible Investment Certification Program, please email [info@responsibleinvestment.org](mailto:info@responsibleinvestment.org).

## **> RI ACADEMY NEWS**

Since our last RIAA Window the RI Academy team has been hard at work and has achieved the following milestones:

- Commenced the process of building the IT platform that will house the Academy lessons, forums, wikis, podcasts and videos. This process will continue into the new year;
- Signed an MOU with Yale University's Millstein Centre for Corporate Governance and Performance that will see collaboration on the development of lessons and other activities;
- Sent our ESG research manager, Katie Swanston, to work in the offices of the PRI in London for five weeks to further develop the MOU that we jointly signed earlier this year, conduct stakeholder consultation, agree upon curriculum pathways, and co-produce lessons; and
- Conducted industry sessions on the Academy in Australia hosted by AIST, ASFA and IFSA and attended by 80 people.

### **Online RI Academy survey – we need your input**

To help us shape the content offered by the RI Academy, and the way in which this material is delivered online, we have set up an online survey. Please click here to go to the survey <INERT LINK: <http://www.surveymonkey.com/s/SVTQ2RG>>. It will take approximately 15 minutes to complete, and your input at this critical stage in development is greatly appreciated.

## **> RI JOBS**

### **VicSuper, Chief Investment Officer**

Based in Melbourne, this large member focused superannuation fund controls \$6.7 billion in assets and is an industry leader in sustainability.

Reporting to the Chief Executive, the role is responsible for directing, managing and enhancing the Fund's investment policy and strategy, implementing sustainable portfolios in a global economy where sustainability is the major driver of industrial and economic change. It also involves leading a team of professionals including responsibility for helping members make sense of their superannuation investment.

To apply, please send your resume and a covering letter by Friday 11 December, 2009 to Lara Mitchell at [careers@vicsuper.com.au](mailto:careers@vicsuper.com.au), or post to GPO Box 89, Melbourne VIC 3001.

### **RIAA Marketing & Communications Co-ordinator**

RIAA is a dynamic and results orientated organisation that is driven by a passion to support and promote investments that seek to deliver sustainable outcomes. The role of the Marketing & Communications Co-ordinator is critical to the successful promotion of the organisation, its programs and the reputation of the Association in the market. This role reports to the Marketing & Communications Director.

This position requires excellent writing and communication skills and experience in providing marketing support to a range of stakeholders. For the right candidate, there will be opportunities to take on a variety of responsibilities and develop new skills over time. Applications close Thursday 24<sup>th</sup> December 2009.

### **Responsible Research - various roles in Asia**

Based in Singapore, Responsible Research is an independent provider of sectoral and thematic Asian environment, social and governance (ESG) research, targeted at global institutional investors. The following roles are currently available:

#### **Responsible Investment Analyst, Greater China**

Based in Hong Kong, Shanghai or Beijing. Must speak and write Mandarin Chinese. Preferably holding CFA or MBA, with a financial analytical background and experience in one or more of the following areas:

- Governance and ethical business practices
- Social and human rights issues
- General environmental issues in Asia
- Climate change, carbon and alternative energy

#### **Research Director**

Based in Singapore or Hong Kong, with experience in building substantial qualitative and quantitative research in an investment environment, preferably in Asia. Must be able to:

- Be a spokesperson for the group at conferences and events
- Research, analyse and monitor ESG issues within Asian companies
- Produce sector studies and related responsible investment issues
- Plan, arrange, carry out and report on engagement with companies
- Assist in screening and other supporting work for the ethical funds
- Provide information for marketing of responsible investment products and client presentations

### **Junior Responsible Investment Analysts**

Based in Asia. Graduates with some financial experience and a passion for responsible investment to assist analysts in their ESG research on Asian companies.

### **Korean Speaking Intern**

Based in Seoul, Hong Kong or Singapore. Korean speaking intern to assist on a high profile project covering ESG integration within South Korean companies. Must have financial analytical experience and be looking to enter the field of responsible investment or public policy.

### **Interns**

Based in Asia. Graduates or MBA students with some financial experience and a passion for responsible investment, to assist analysts in their ESG research on Asian companies or work on specific sector projects. We are particularly interested in MBA or Masters graduates who have a sector focus in forestry, shipping or telecoms, and who wish to conduct ESG research as part of an MBA or post-graduate work.

If you would like to be considered for any of the above roles, please send your resume and a covering e-mail to [info@responsibleresearch.com](mailto:info@responsibleresearch.com).

## > NEW RI PRODUCTS

### **AMP Capital Investors launches new fund**

AMP Capital Investors added a fixed interest product to its Responsible Investment Leaders range of funds this month. The new Responsible Investment Leaders Diversified Fixed Income Fund will invest in a blended portfolio of Australian fixed interest securities (government and credit), global government bonds and global credit securities, with an ESG filter.

## > RI MARKETING

### **How ethical are the Brits?**

According to a report launched this month by UK based research firm EIRIS, 44% of the British public are interested in the ethical credentials of the next financial product or service that they buy.

The report, titled "[Ethical finance: does Britain care?](#)" explores post credit-crunch attitudes to ethical finance. The survey found that 75% of those interested in finding out more about the ethical credentials of a financial product or service said they are likely to take this into consideration when next buying a financial product or service. To view the key findings of the report presented in PowerPoint, click [here](#)

## > RI RESOURCES

### **Comprehending Copenhagen: A Guide to the International Climate Change Negotiations**

From 7-18 December, the world's attention will be focused on Copenhagen, where representatives of 192 nations will gather to strike a new international agreement to respond to the urgent challenge of global climate change. In this Lowy Institute

Analysis, Dr Greg Picker and Fergus Green aim to demystify the negotiations and deepen public understanding of this important process.

From the expansion of international carbon markets to proposals for curbing tropical deforestation, the paper outlines the positions of the various countries and groups on each issue. The paper also explains the Conference's processes, weighs the likely outcomes and considers its potential implications for Australia and beyond. To download the paper, click [here](#).

### **Up From Wall Street: The Responsible Investment Alternative**

Tom Croft's new book 'Up from Wall Street' published by Cosimo, takes a long term view toward institutional investors realising returns while fulfilling a stewardship mandate. Institutional investor and pension fund holdings have the potential for exerting a tremendous influence on global investment practices. To preview this book online, click [here](#).

## **> RI RESEARCH & REPORTS**

### **Carbon Disclosure Project supplementary reports**

AUSTRALIA & NEW ZEALAND - Following the release of the fourth Australia & New Zealand Carbon Disclosure Project Report 2009 last issue, supplementary reports have been made available by two of the report's major sponsors. Goldman Sachs JBWere's [Carbon Disclosure Project 2009](#) analysis and summary findings and Booz & Co's [Maximising Value in a Low Carbon World](#), examines the strategic imperatives for big Australian emitters in this period of rapid change.

### **Walker Report: A review of corporate governance in UK banks and other financial industry entities (Nov 09)**

UK - The final recommendations of the [Walker Report](#) on UK corporate governance in banks and financial institutions has proposed that fund managers doing business in the UK sign up to a new set of Principles of Stewardship, or explain why not. The review, commissioned in February this year by UK Prime Minister, Gordon Brown, in response to the financial crisis, looks at issues of shareholder rights, company executive standards and remuneration.

[Deutsche Bank's Asset Management \(DeAM\)](#): Global Climate Change Policy Tracker - An Investor's Assessment (Nov 09)

GLOBAL - The Climate Tracker research which provides investors with an analysis of climate change policies and assigns a risk rating to 109 countries, states and regions based on key government mandates and supporting policy frameworks. The report is the first publicly-available analysis of its kind, designed to help investors identify the best risk-adjusted returns in climate change investment opportunities around the world.

### **Acclimatise: Managing the Unavoidable - investment implications of a changing climate (Nov 09)**

UK - The [report](#) argues investors are missing the impact of climate change on share prices by focusing on the risks of extreme weather events, rather than examining the many relevant incremental costs and opportunities. The report has been prepared by four of the UK's largest institutional investors.

**Mercer: Shedding light on responsible investment: Approaches, returns and impacts** (Nov 09)

GLOBAL – As the debate about ESG factors and investment performance continues around the globe, Mercer's [latest report](#) on academic research provides encouraging news for investment professionals looking for direction. Based on their review of 16 academic papers released since 2007, Mercer found that ten show a positive performance relationship and that overall, the integration of ESG analysis into investment practices can result in improved returns. A summary of the report is available at [www.mercer.com/ri](http://www.mercer.com/ri) and the full report is available for purchase.

**EIRIS: Taking stock - how leading stock exchanges are addressing ESG issues and the role they can play in enhancing ESG disclosure** (Nov 09)

UK & GLOBAL – The [EIRIS report](#) rates the ASX as the best stock exchange in terms of its ESG reporting. The report includes analysis of how well stock exchanges manage ESG issues, and makes a number of recommendations for improvements.

**UNEP: TEEB – The Economics of Ecosystems and Biodiversity for National and International Policy Makers 2009** (Nov 09)

UK – According to this landmark study, policymakers need to expand payments for ecosystem services and harness the power of markets to help protect the planet's biodiversity.

"The lack of market prices for ecosystem services and biodiversity means that the benefits we derive from these goods ... are usually neglected or undervalued in decision-making," the report notes. "This in turn leads to actions that not only result in biodiversity loss, but also impact on human wellbeing."

> UPCOMING EVENTS

**7-18 December 2009, Copenhagen, Denmark**

[United Nations Framework Convention on Climate Change](#)

The Copenhagen Climate Conference 2009 will see the parties of the United Nations Framework Convention on Climate Change meet for the last time at government level before the climate agreement needs to be renewed.

**9 December 2009, Melbourne, Australia**

[Ethical Investor's 9<sup>th</sup> Australian Sustainability Awards](#)

Ethical Investor's Awards Ceremony Luncheon is always held at the end of the year, close to Christmas. This year's event will be held at Zinc, in Melbourne's Federation Square. To download the invitation, with details for purchasing tickets.

**1-2 March 2010, Sydney, Australia &**

**4-5 March 2010, Auckland, New Zealand**

[Future Forestry Finance 2010](#)

The conference has been designed to deliver practical and timely information on forestry and wood product companies across the Australian and New Zealand sectors, for industry leaders and key financiers of forestry.

**14-15 September 2010, Sydney, Australia**

[RIAA 7th International Responsible Investment Conference](#)

RIAA's 2010 program will host an all star line-up of international responsible

investment experts and offer an array of cutting edge master classes that will provide you with the most current insights and practical examples of responsible investment in action.

If you are interested in suggesting speakers or topics for the conference program or becoming a conference partner, please contact Megan Lewis, RIAA Marketing & Communications Director, at [meganl@responsibleinvestment.org](mailto:meganl@responsibleinvestment.org).

## > SEASONS GREETINGS

As the year draws to a sticky end, who of us could have imagined two or three years ago that it would be climate change that would ignite the greatest political furor in our nation since the great Labor divide of 1954? The intensity of the battle at times has felt like such a big step backwards, but in other ways it is the catharsis that we had to have, a washing out of opinion, a call to action. That climate change has travelled from relative obscurity to something which people are willing to lay down their political careers for in a short space in time is quite remarkable.

It is important in these times to stop for a moment and take stock of the very significant role that the responsible investment industry has played in bringing this issue to the fore, in the way that you have all educated your constituencies, contributed to public and intellectual debate, participated in enquiries, talked to politicians, collaborated with associates and brought about change in your own daily lives.

The next few weeks of local and international maneuverings will reveal many new opportunities for the responsible investment profession for 2010 – both on climate change and in the area of financial markets reform. I believe that our industry can only gain from these new changes and I wish you well as you navigate the new landscape that 2010 will present. May I take this opportunity to wish you a very peaceful and joyous Christmas break and to thank you for your pioneering work in 2009. The RIAA team looks forward to seeing you in the new year when we will all be shiny and refreshed and ready to face a year of great change and progress.

Kindest regards

Louise O'Halloran