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"I believe that the best, strongest, most efficient companies are going to have the best environmental practices. It is axiomatic."

- **Hank Paulson, Nominated US Treasury Secretary and Chairman and CEO of Goldman Sachs** -

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PRINCIPLES FOR RESPONSIBLE INVESTMENT BACKED BY USD 4 TRILLION AND GROWING

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HIGHLIGHT

Principles for Responsible Investment Backed by USD 4 trillion and Growing

Following the inaugural launch of the Principles by UN Secretary-General Kofi Annan at the New York Stock Exchange in April, the PRI is now backed by a group of over 70 investors with over USD 4 trillion in assets under management, and still growing.

Martin Kuscus, chairperson of South Africa's largest retirement fund, the Government Employees Pension Fund (GEPF), recently announced that the GEPF will mobilise its financial strength to improve corporate behaviour. Kuscus indicated that the GEPF's plan of action will be based on the UN Principles for Responsible Investment.

The Principles were launched regionally in both Tokyo and Rio de Janeiro on 1 and 10 May respectively. Also, a PRI workshop, hosted by Ohrlings PwC, Sweden, was held in Stockholm on 11 May. UNEP FI Head Paul Clements-Hunt briefed more than 100 Scandinavian investors, business people and academics on the PRI at the event. There are strong indications that PRI membership will grow quickly.

For further information, please visit: <http://www.unpri.com>

UNEP FI SUSTAINABILITY BEAT

1. UNEP FI Welcomes Fortis

Fortis, Netherlands

Fortis is an international provider of banking and insurance services to personal, business and institutional customers. The company ranks among Europe's top 20 financial institutions, with a market capitalisation of EUR 39 billion (28 February 2006), a presence in 50 countries, and a workforce of 57,000.

Fortis's retail banking operations are the market leader in the Benelux region – one of Europe's wealthiest. Building on that leadership, Fortis has developed an integrated, continent-wide network to serve internationally active enterprises. Fortis is a regional, and in some cases, global leader in niche markets like fund administration, export and project finance, shipping and commodities. Fortis successfully combines its banking and insurance skills in growth markets in Europe and Asia, and it leads the market in bancassurance in Spain and Portugal.

For further information, please visit: <http://www.fortis.com>

2. UNEP FI Signatory mecu Wins Sustainability Award

The Association of Chartered Certified Accountants (ACCA) has awarded Australia-based credit union mecu Limited this year's Australia and New Zealand Award for Sustainability Reporting. mecu regards environmental and social challenges as strategic business opportunities: "society's need to become sustainable is the beginning of new pathways for future prosperity" said mecu Group Manager Development, Rowan Dowland. The aim of the ACCA Awards is to reward transparency, with completeness, credibility and communication at the core of the judging criteria.

For further information, please visit: <http://www.accaglobal.com/sustainability/awards/asra/>

3. FT Sustainable Banking Awards

The shortlist for the five award categories includes 12 UNEP FI signatories, including: ABN AMRO, Bank Sarasin, Barclays Bank, Citigroup, Credit Suisse, Deutsche Bank, HSBC, Nedbank, Standard Chartered, WestLB, Westpac, and Yes Bank. Winners will be announced on 12 June, in London.

The FT Sustainable Banking Awards, created by the FT and International Finance Corporation, "recognise banks that have shown leadership and innovation in integrating social, environmental and corporate governance objectives into their operations".

For further information, please visit: <http://news.ft.com/indepth/bankingawards>

SUSTAINABLE FINANCE IN THE REGIONS

4. Asia Pacific

Principles for Responsible Investment Press Conference 1 May 2006, Tokyo, Japan

Hosted by the Development Bank of Japan (DBJ) within the framework of the Asia Pacific Task Force's Japan Group, the press conference was opened by DBJ's Senior Executive Director, Mr Atsushi Oi, and was attended by some 40 representatives of Japanese UNEP FI Signatory institutions, as well as a group of 20 journalists.

Four Japanese UNEP FI Signatories signed up to the Principles (Sumitomo Trust & Banking Co, Sompo Japan, Daiwa Asset Management and Mitsubishi UFJ Trust & Banking), as well as Kikkoman's pension scheme. Interest towards the PRI is also high in Korea and a translation of the PRI in Korean is in process. The APTF is promoting the PRI in the region as a whole; Mr Takejiro Sueyoshi, Special Advisor to UNEP FI in the region, presented the Principles at the Annual Meeting of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) in Colombo, 8-11 May 2006.

The Principles are available in Japanese on the PRI website; further related materials in will be made available by the Japan Group shortly.

For further information, please visit: <http://www.unpri.org>

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Bookmark

New Report by the Australian Conservation Foundation (ACF)

The report 'False Profits: How Australia's Finance Sector Undervalues the Environment and What We Can Do About it' provides quantitative analysis and comparison of the environmental impacts of the large-scale corporate lending activities of different banks. It shows there are big differences between Australia's major banks in the relative

environmental impacts of the activities they finance through their syndicated lending operations. By drawing lessons from 10 successful innovations in the finance sector, and supplementing them with a set of public policy reforms to address structural defects in the financial system, this report describes a possible pathway towards a sustainable finance sector in Australia.

Full report available at: http://www.acfonline.org.au/uploads/res_false_profits.pdf

5. Central & Eastern Europe

UNEP FI CEO Meeting on Sustainable Finance 5 April 2006, Moscow, Russia

Organised by the Central and Eastern European Task Force (CEETF), the event was aimed at building awareness and sharing best practice within the Russian financial sector.

The conference was opened with a keynote speech of Andrey Sharonov, Russian Deputy Minister for Economic Development and Trade. Further presentations included talks on environmental regulations in Russia and environmental risk management in project finance. A roundtable discussion on sustainable banking products in Russia included Alexander Gafin, Board Member of Alfa Bank, who presented on Alfa Bank's launch of a green credit card. Paul Clements-Hunt, Head of UNEP FI, presented the key work streams of the Finance Initiative to representatives of the finance sector, government and civil society.

The meeting was organised in collaboration with the European Bank for Reconstruction and Development (EBRD) and WWF Russia. In light of the positive uptake of these topics by Russian financial institutions and stakeholders, the CEETF will consider hosting further events in Russia by the end of the year.

For further information, including presentations made during the event please visit:

<http://www.unepfi.org/events/2006/moscow/>

Contact: cee@unepfi.org

"What are the environmental responsibilities of the banking sector?" 22 June 2006, Athens, Greece

Hosted by UNEP FI signatories Eurobank EFG and Emporiki Bank, the Central and Eastern European Task Force (CEETF) will offer a conference on sustainable banking in Greece and its surrounding countries. The conference will include speakers from a variety of organisations such as the European Commission, the Greek Environmental Ministry, the EBRD, San Paolo IMI Asset Management, Bank Austria Creditanstalt, CABERNET, CoreRatings, Eurobank EFG and Emporiki Bank.

On 23 June the CEETF will be holding its annual general meeting to discuss priorities in its work programme over the next 12-18 months.

For further information, please visit: http://www.unepfi.org/regional_activities/central_and_eastern_europe/index.html

Contact: cee@unepfi.org

6. Latin America

Regional Launch of the Principles for Responsible Investment 10 May 2006, Rio de Janeiro, Brazil

Hosted by the Fundação Brasileira para o Desenvolvimento Sustentavel, the launch of the Principles in Latin America was led and sponsored by PREVI, the region's largest public pension fund and first Brazilian PRI Signatory on the occasion of the New York inaugural launch. The Cocktail launch was attended by over a hundred representatives of local financial institutions and other stakeholders; the audience was addressed by Sergio Rosa, President of PREVI. It is expected that several Latin American investors will be following in PREVI's tracks by signing up to the Principles in the near future.

For further information, please visit: <http://www.unpri.org>

Contact: info@unpri.org

UNEP FI Latin American Task Force (LATF) Seminar Outcomes 10 May 2006, Rio de Janeiro, Brazil

Co-organised with Fundação Brasileira para o Desenvolvimento Sustentavel, the one-day seminar was aimed specifically at the Brazilian public banking sector, providing the latter with a unique forum for discussing new trends and next steps in sustainable finance. In particular, two problem-solving sessions generated lively debates on policy-making and implementation dilemmas; a summary paper featuring key points of the discussion and proposed next steps will be made available shortly on the LATF website.

For further information, please contact: la@unepfi.org

**UNEP FI Latin American Task Force (LATF) Training Workshop
15-16 June 2006, San Salvador, El Salvador**

The first training workshop convened by the LATF in Central America, this event will spread over two days, including a CEO Breakfast on the 16th. The aim of the event is to train participants on the risks and opportunities associated with the environmental and social impacts generated by the activities of financial institutions, their clients, and their partners. The workshop is being convened in collaboration with the INCAE Business School (Costa Rica), Banco Cuscatlán S.A. and Banco Multisectorial de Inversiones (El Salvador), with the support of Capacity Building International - InWent (Germany).

For further information please visit: http://www.unepfi.org/regional_activities/latin_america/index.html
Contact and registrations: la@unepfi.org

Available Soon: Online Course on Environmental and Social Risk Assessment

Designed and coordinated collaboratively by the UNEP FI Latin American Task Force, INCAE Business School, and InWent, supported by Bank of America, the course will provide in-depth and personalised training over a three-week period for groups of 20 participants. The pilot run of the course will start on 3 July, the first course available to the public is scheduled for September.

For further information, please visit: http://www.unepfi.org/regional_activities/latin_america/index.html
Contact: la@unepfi.org

7. Western Europe

**Workshop on Environmental Credit Risk
4 May 2006, Copenhagen, Denmark**

Hosted by Finansraadet (the Danish Bankers Association), the workshop included presentations by Chris Bray, UNEP FI Steering Committee Member and Head of Environmental Risk Management at Barclays, as well as representatives of Nordea AB, Danske Bank and Folksam, with case studies provided for different types of environmental risks. Examples of risk management tools such as land use investigation and environmental impact assessment were also shared.

A key conclusion of the workshop was that sustainability and Corporate Social Responsibility (CSR) issues are now permanent strategic factors. As such participants noted, among other things, that there has been an increase in corporations focusing on CSR due to rising pressure to report publicly on progress in this field. It was also observed that the UN Millennium Development Goals for financial institutions have triggered an increase in shareholder activism. Further information and materials will be available shortly on the UNEP FI website.

Contact: signatory@unepfi.org

INVESTMENT

8. Principles for Responsible Investment now Backed by USD 4 trillion

The Principles were launched in the US by UN Secretary-General Kofi Annan at the New York Stock Exchange on 27 April and in Europe by James Plaskitt, Parliamentary Undersecretary for the UK Department of Work and Pensions at Palais Brongniart in Paris on 2 May. Institutional investors representing more than USD 4 trillion in assets under management have now signed the Principles for Responsible Investment. The full list of Signatories can be viewed on the PRI website.

The Principles are now available in English, French, Japanese, Portuguese, Russian and Spanish. Further languages will be available soon.

For further information, please visit: <http://www.unpri.org/>
Contact: info@unpri.org

9. Bookmark

Responsible Investment, Rory Sullivan & Craig Mackenzie

Do responsible investment strategies systematically result in improvements in the social, ethical and environmental performance of companies? To what extent is it in investors' interest to encourage higher standards of corporate responsibility? Do responsible investment strategies enhance financial performance for investors? Sullivan and Mackenzie bring together leading practitioners and commentators in the field of responsible investment to explore these questions.

For further information and to take advantage of a 15% discount for UNEP FI Signatories, please visit: <http://www.greenleaf-publishing.com/catalogue/riuksifdisc.htm>

INSURANCE

10. Inaugural UNEP FI Insurance Working Group (IWG) Meeting

13 March 2006, Paris, France

The Insurance Working Group, a new strategic work stream for UNEP FI, recently held its inaugural meeting at AXA Group Head Office in Paris. Member institutions from around the world took part in vibrant discussions about the emerging sustainability issues facing the industry. The Group, which aims to work collaboratively to find innovative approaches to issues covering insurance and sustainability, is currently defining its priorities and will roll out its work programme in the upcoming months.

Contact: insurance@unepfi.org

SUSTAINABILITY REPORTING

11. Seven New UNEP FI Signatory Sustainability Reports

DnB NOR First Annual Corporate Social Responsibility Report 2005

<http://www.dnbnor.com/csr>

F&C Asset Management Responsible Engagement Overlay Report 2005

<http://www.fandc.com/aboutus.asp?pageid=1.3.8>

HSBC Corporate Social Responsibility Report 2005

http://www.hsbc.com/public/groupsite/csr/en/csr_overview.jhtml

Munich Reinsurance AG

http://www.munichre.com/publications/302-04781_de.pdf?rdm=39646

Nedbank Group Sustainability Report 2005

<http://www.nedbankgroup.co.za/financials/2005sustain/index.asp>

Sanpaolo IMI Relazione Trimestrale Al Marzo 2005

http://www.grupposanpaoloimi.com/scriptlr/investor/investor_relation/home_investor_relations.jsp

Westpac Stakeholder Impact Performance Update

<http://www.westpac.com.au/internet/publish.nsf/Content/WICR+Our+reports>

CLIMATE CHANGE

12. Climate Change & Investment 2006

8-9 June 2006, London, UK

Sponsored by Baker & McKenzie & The Carbon Trust, supported by Eurosif, Carbon Disclosure Project and the Institutional Investors Group on Climate Change in association with The Climate Group, this year's edition of the Environmental Finance conference will provide an update on how climate change and the new markets in emissions reductions are affecting institutional investors. Delegates will benefit from insights and analysis from, and numerous opportunities to network with, top-level specialists from a broad range of organisations across Europe.

For further information and registrations please visit:

<http://www.environmental-finance.com/conferences/2006/CCA/intro.htm>

WATER & FINANCE

13. 2nd UNEP FI Expert Workshop on Risk Management Guidelines

28 June 2006, Geneva, Switzerland

UNEP FI will be convening a one-day expert workshop in Geneva, 28 June, inviting a number of financial institutions to contribute their expertise in developing an issues paper for water and financial services risk guidelines. The workshop will seek to identify the key risks which financial institutions may be exposed to when financing water intensive companies/ projects, and the methods for mitigating risk exposure.

The results of the workshop will be incorporated in the issues paper 'UNEP FI Water and Financial Services Risk Guidelines', and will be presented for consultation during the World Water Week, a major annual global meeting in water related issues that will take place from 20-26 August, in Stockholm.

For further information, please visit: <http://www.unepfi.org/events/2006/davos/index.htm>

Contact: water@unepfi.org

BIODIVERSITY

14. Biodiversity Working Meeting

28 April 2006, New York, US

UNEP FI and the World Resources Institute (WRI) convened a group of financial institutions and other stakeholders for a working session around the issue of biodiversity. This meeting, held under "Chatham House Rule" and kindly hosted by UNEP FI Signatory Citigroup, was part of the scoping process currently underway at UNEP FI to develop a meaningful work stream that will assist financial institutions in addressing the emerging challenges related to the loss of biodiversity and the degradation of ecosystem services.

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