

Issue 55
January 2007
<http://www.unepfi.org/ebulletin>

"We cannot risk being in denial on catastrophe trends."
- Peter Levene, Chairman, Lloyd's -

UNEP FI SUSTAINABILITY BEAT

1. UNEP FI SIGNATORY FORTIS LAUNCHES CARBON NEUTRALITY PROGRAMME
2. UNEP FI SIGNATORY SARASIN RESEARCH ON SUSTAINABILITY IN THE FINANCIAL SECTOR
3. SUSTAINABILITY BENCHMARKS FOR THE FINANCE INDUSTRY
4. INTERNATIONAL CSR DIRECTORY GOES ONLINE
5. APPLICATIONS OPEN FOR 2007 FT SUSTAINABLE BANKING AWARDS
6. UNEP FI INVITED TO JOIN UNFCCC TASK FORCE ON FINANCE AND INVESTMENT

SUSTAINABLE FINANCE IN THE REGIONS

7. AFRICA
8. ASIA PACIFIC
9. CENTRAL & EASTERN EUROPE
10. LATIN AMERICA
11. NORTH AMERICA

INVESTMENT

12. CHANGING OF THE GUARD AT UNEP FI'S ASSET MANAGEMENT WORKING GROUP
13. PRINCIPLES FOR RESPONSIBLE INVESTMENT UPDATE

PROPERTY

14. UNEP FI'S PROPERTY WORKING GROUP LAUNCHED
15. GREEN CITIES EXPO AND CONFERENCE 2007

INSURANCE

16. A MEETING OF THE MINDS: UNEP FI INSURANCE WORKING GROUP AND THE GENEVA ASSOCIATION
17. UNEP FI INSURANCE INAUGURAL PUBLICATION – A SUSTAINABILITY TRAILBLAZER

WATER & FINANCE

18. BUILDING THE FIRST GLOBAL FRAMEWORK FOR THE FINANCIAL SERVICES SECTOR

BIODIVERSITY

19. UNEP FI ECOSYSTEM SERVICES AND BIODIVERSITY WORK STREAM BUILDS

HUMAN RIGHTS

20. NEW AT UNEP FI: HUMAN RIGHTS AND FINANCE

UNEP FI SUSTAINABILITY BEAT

1. UNEP FI Signatory Fortis Launches Carbon Neutrality Programme

Starting the year with a bang, Fortis has launched a global carbon neutrality programme. The programme includes carbon neutrality for Fortis' global operations, the formulation of a climate change strategy, and a study of Fortis' overall carbon impact, risks and opportunities as relates to its lending, insurance and investment activities.

For further information, please visit: http://www.fortis.com/press/info/UK_CARBON_NEUTRALITY_20122006.pdf

2. Sustainability Benchmarks for the Finance Industry

Benchmarking sustainability indicators has already proved a major success in the logistics and transport sectors; now the practice has become available for financial service companies. Thanks to the support of UNEP FI and VfU (Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen / Association for Environmental Management in Banks,

Savings Banks and Insurances), who delivered the content frame used in the platform, the 'Benchmarking Platform for Financial Institutions' is accessible online and provides individual evaluation of a financial institution's performance against a peer group. The concept and service was introduced at the UNEP FI / VfU roundtable in Berlin in November 2006.

For further information, please visit: <http://www.pe-europe.com/>
Contact: a.saraev@pe-europe.com

3. UNEP FI Signatory Sarasin Research on Sustainability in the Financial Sector

Written by Sarasin's sell side research department, this new report on Sustainability in the financial sector documents the materiality of ESG issues in the financial sector and includes a ranking of several international financial institutions according to sustainability.

For further information, please visit: <http://www.sarasin.ch/sustainability>

4. International CSR Directory goes Online

The world's first printed international Corporate Social Responsibility Directory has now gone online. The CSR Professional Services Directory 2007, published by Ethical Performance, enables users to identify, free of charge, providers of services both globally and in particular parts of the world.

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

5. Applications Open for 2007 FT Sustainable Banking Awards

Applications are now being accepted for the 2007 FT Sustainable Banking Awards, co-organised by FT and the International Finance Corporation (IFC). This year, there will be additional awards for regional leadership under the emerging markets category covering Asia, Middle East/Africa, Eastern Europe and Latin America. UNEP FI Head, Paul Clements-Hunt, will be part of the judges' panel for the Awards.

The deadline for entries is 28 February 2007.

For more information, please visit: <http://www.ft.com/businesslife/bankingawards>

6. UNEP FI Invited to Join UNFCCC Task Force on Finance and Investment

Head of the UNEP FI Secretariat, Paul Clements-Hunt, has been invited by Yve de Boer, Executive Director at the United Nations Framework Convention on Climate Change (UNFCCC) to join a group exploring finance and investment issues. The group has been formed following the November 2006 international climate negotiations that convened in Nairobi, Kenya. The finance and investment group will contribute to a report that will be presented to governments gathering for the UNFCCC Conference of the Parties that will meet in late 2007. The UNFCCC expert group gathers for an initial meeting in Bonn on 5-6 February.

SUSTAINABLE FINANCE IN THE REGIONS

7. Africa

UNEP FI African Task Force Secretariat moves to South Africa

UNEP FI's African Task Force Coordinator, Philip Walker, has relocated to South Africa this January to coordinate the Initiative's African Task Force (ATF). This move follows the successful transferral of UNEP FI's Latin American Task Force to Mexico, and aims to increase face-to-face time with ATF members, and outreach to promote the ATF's activities in terms of sustainable finance and investment in Africa. The Secretariat will initially be based in Cape Town and will be hosted by two different asset managers there. Philip will remain involved in UNEP FI's Asset Management Working Group (AMWG) alongside Butch Bacani, also of the UNEP FI Secretariat.

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

8. Asia Pacific

Outcomes of UNEP FI Workshop on Sustainable Banking in India

As part of the UNEP FI's vision to champion sustainable development in India, UNEP FI's 1st workshop in the country – *Mainstreaming Sustainability in Indian Financial Institutions* - took place on 5 December 2006 in Mumbai. The workshop, which was opened by Paul Clements-Hunt, Head, UNEP Finance Initiative, comprised discussions and debate on the role of FIs including in the topical areas of sustainable finance, corporate social responsibility (CSR) and finance, and mechanisms to foster Public Private Partnerships. ABN AMRO – India was the Presenting Sponsor for this high profile event.

A CEO Luncheon, sponsored by YES BANK Limited, which aimed to sensitise senior management on India's sustainability challenge and the risks and opportunities faced by the financial sector, was held in parallel. Follow-up activities to UNEP FI's outreach in India are being discussed within the Initiative's Asia Pacific Task Force.

For further information, please visit: <http://www.unepfi.org/events/2006/mumbai/index.html>
Contact: ap@unepfi.org

9. Central & Eastern Europe

Survey - Scratching on the Surface of Sustainable Finance

Following an outreach event in June 2006 in Athens, the UNEP FI Central and Eastern European Task Force (CEETF) undertook a survey of sustainable finance practices in Greece. The main finding of "Scratching on the Surface of Sustainable Finance" is that the Greek financial sector is fairly advanced in offering green financial products and CSR initiatives, however, Greek financial institutions are significantly behind other EU countries in terms of implementing sustainability aspects into their lending or investment decisions. The survey also concludes that large financial institutions leading the sustainability agenda internationally are less advanced in implementing their sustainability practices in Greece than their local counterparts.

In order to launch and discuss the survey results a meeting with financial institutions and stakeholders was held on 18 January, 2007. More than 50 participants, all of them representing large Greek financial institutions, attended the event. The event was sponsored by UNEP FI newest Greek Signatory Alpha Bank.

For further information, please visit: http://www.unepfi.org/regional_activities/central_and_eastern_europe/
Contact: cee@unepfi.org

10. Latin America

UNEP FI Latin American Task Force (LATF) Training Workshop 8 February 2007, Mexico City

The first such training workshop convened by the LATF in Mexico, the event aims to train analysts and managers across the country's financial sector on how to identify and manage social and environmental risks and opportunities in their lending and investment operations. The one-day workshop will be followed by a CEO Breakfast during which the suggestions and requests of workshop participants will be discussed and next steps will be decided.

The event is being sponsored by ABN AMRO Mexico, supported and hosted by ABM, the Mexican Banking Association. Training will be provided by the INCAE Business School (Costa Rica), supported by Capacity Building International – InWent (Germany).

For further information, please visit: <http://www.unepfi.org/events/2007/mexico/index.html>

UNEP FI Latin American Task Force Online Training Resumes 26 February - 17 March 2007

Following its successful launch in 2006, the LATF is resuming its Online Training Programme on Environmental and Social Risk Assessment in February. Register now at latf-online@unepfi.org

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

11. North America

Climate Change and North America

On January 22nd, 9 of the biggest corporations in the United States called on President Bush to introduce measures to combat global warming. The group is urging the US federal government to introduce legislation designed to achieve a significant reduction in greenhouse gas emissions, or mandatory caps. The initiative includes Alcoa, BP America, Caterpillar, Duke Energy, DuPont, FPL Group, General Electric, Lehman Brothers, PG&E, and PNM Resources. The pressure from big business stems from a desire for clarity, and for a coherent, nation-wide policy framework on climate change. Currently, a number of US states have imposed caps, but these vary from state to state. The initiative's report, titled "A Call for Action", lays out a plan for a mandatory economy-wide, market-driven approach to climate change.

The report echoes the statement made by UNEP FI's Climate Change Working Group, which urged for the continuation of mandatory emission caps and market mechanisms come 2013, when the first commitment period of the Kyoto Protocol is scheduled to end.

For further information, please visit: http://www.unepfi.org/fileadmin/documents/CEO_briefing_future_2005.pdf
Contact: na@unepfi.org

INVESTMENT

12. Changing of the Guard at UNEP FI's Asset Management Working Group

The UNEP FI Asset Management Working Group (AMWG) is pleased to announce its new Co-Chairs: Julie Fox Gorte (Vice President & Chief Social Investment Strategist, Calvert Group) and Xavier Desmadryl (Global Head of SRI Research, HSBC Investments). The results of the chair elections were announced during the AMWG's meeting at the UN Palais des Nations in Geneva last November 2006. The new Co-Chairs will spearhead the AMWG's robust work programme for 2007 as the group pursues its mission of mainstreaming the integration of environmental, social and corporate governance (ESG) issues in investment decision-making and ownership practices.

Meanwhile, Carlos Joly, the former AMWG Chair, has assumed his new role as UNEP FI Special Advisor. UNEP FI and the AMWG would like to convey its sincere gratitude to Mr. Joly for his excellent stewardship of the AMWG during his tenure. During that period, together with the then Co-Chair and Chief Investment Officer of Groupama Asset Management, Vincent Zeller, the Group produced ground-breaking reports covering the materiality of ESG issues and the fiduciary duty of institutional investors. These reports helped pave the way for the UN Principles for Responsible Investment (UN PRI).

For further information, please visit: http://www.unepfi.org/work_streams/investment/index.html
Contact: investment@unepfi.org

13. Principles for Responsible Investment Update

The PRI - a joint initiative of UNEP FI and the UN Global Compact - is gaining considerable momentum among investors. A total of 150 organisations have now signed the Principles, representing over USD \$6 trillion in funds under management. Events have been held in Athens, Warsaw, Tokyo, Washington and New York - many of which have been coordinated through UNEP FI Regional Task Forces. The PRI initiative has established the world's first shareholder engagement 'clearinghouse' where Signatories share collaborative engagement opportunities using a web-based Intranet.

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

PROPERTY

14. Building Up Green Property Investment

Paris, 7 & 8 December 2006

The official launch of the Property Working Group (PWG) was kindly hosted by Caisse des Dépôts et Consignations, Co-Chair of the Group and attended by seventeen organisations. Highlights of the agenda included presentations by Guillaume Sainteny, Director of Economic Research & Environmental Evaluation at the French Ministry of Ecology & Sustainable Development and Sébastien Godinot, of Friends of the Earth France. Bâtiment 270, one of the first office buildings awarded France's High Environmental Quality rating was presented by Franck Hovorka, chief of the project, and formed the object of a site visit. Chris Brown presented the achievements of Igloo Regeneration, of which he is Chief Executive and which is the first socially and environmentally responsible property fund, whilst workshops on benchmarking sustainable property were carried out by IPD's Christian De Kérangal and Denis François of CBRE Valuations.

15. Green Cities Expo and Conference 2007

12-14 February 2007, Sydney

The PWG's Advisor, Dr Gary Pivo, of Arizona University, has been invited by Lend Lease to present the PWG and its Responsible Property Investment project. A side-meeting will be held in Sydney on Wednesday 14 February for finance institutions interested in learning more about the PWG. Dr Pivo and Sandy Grant (Construction and Building Industry Super) will present at a seminar on the Future of Sustainable Responsible Property Investment in Melbourne on Thursday 15 February.

For further information, please visit: <http://www.gbcaus.org/gbc.asp?sectionid=5&docid=906>
Contact: property@unepfi.org

INSURANCE

16. A Meeting of the Minds: UNEP FI and The Geneva Association

19 December 2006, Geneva

The UNEP FI Insurance Working Group (IWG) and The Geneva Association met last December to understand each other's structure and work programme. The Geneva Association (also known as The International Association for the Study of Insurance Economics) is a non-profit worldwide organisation formed by some 80 Chief Executive Officers of the most important insurance companies in Europe, North America, South America, Asia, Africa and Australia. Its main goal is to research the growing economic importance of worldwide insurance activities in all sectors of the economy.

Meeting outcomes were both positive and strategic - further exchanges are due to explore opportunities for collaboration. The Geneva Association showed enthusiasm for the IWG's Principles for Sustainable Insurance (PSI) project, and indicated its desire to solicit expert advice from the IWG. The IWG has been invited to participate in upcoming events organised by The Geneva Association, namely its PROGRES International Seminar in March, and a Management of Risks in Engineering (MORE) Seminar in September.

The IWG was represented by Co-Chair Catherine Boiteux-Pelletier of AXA, and by Butch Bacani of the UNEP FI Secretariat, while The Geneva Association was represented by its Secretary General & Managing Director, Patrick Liedtke, and Vice Secretary General & Head of Research - Risk Management, Walter Stahel.

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

Contact: insurance@unepfi.org

17. UNEP FI Insurance Inaugural Publication – A Sustainability Trailblazer

The UNEP FI Insurance Working Group (IWG) is currently working on its first publication, to be finalised in March. The IWG Report will seek to highlight the actions being taken by the insurance industry to address sustainability issues in an evolving risk landscape; to identify emerging risks and concerns for insurers and underscore the difficulties and barriers in integrating environmental, social and corporate governance (ESG) criteria into products, services, investment and operational ecology; to outline the key issues, challenges and opportunities that lie ahead, as well as actions that can or need to be undertaken in the drive towards a sustainable insurance industry.

Contact: insurance@unepfi.org

WATER & FINANCE

18. Building the First Global Framework for the Financial Services Sector

Driven by an advisory group of 15 members, including representatives from commercial banks, investors, asset managers, the Water & Finance Work Stream's core objective for 2007 is to develop a set of water-related risk management guidelines. The guidelines aim to provide a practical tool for financial institutions to identify their exposure to risk when engaging with business within different sectors.

A further objective of the Work Stream is to work in close coordination with UNEP FI's Regional Task Forces to increase outreach and raise awareness on water-related issues globally. The first awareness raising event is planned to take place in Q1 in South Africa, where members of UNEP FI's African Task Force will be invited to share experiences of addressing water-related risks specific to the region.

Contact: water@unepfi.org

BIODIVERSITY

19. UNEP FI Ecosystem Services and Biodiversity Work Stream Builds

UNEP FI continues to work with the globally respected, Washington D.C.-based World Resources Institute (WRI) to define a collaborative programme exploring the inter-relationships between finance, investment and capital markets with biodiversity and ecosystem services. UNEP FI and WRI are scoping donor funding opportunities to underpin a multi-year work programme.

At the same time, a UNEP FI "CEOBrief" is planned for publication in Q2 2007 to present the financial services business case for addressing ecosystem and biodiversity loss and to explore emerging opportunities for the financial services sector. Also, in collaboration with UNEP FI member, Insight Investment, and the international environmental NGO Fauna & Flora International, UNEP FI is planning a two-day workshop in late Q1 or early Q2 (date to be confirmed) to discuss with interested UNEP FI member institutions the roll out of the 2007 work programme. A key deliverable for 2007 includes the development of a corporate biodiversity benchmark tool for investors to measure company performance in biodiversity.

Contact: biodiversity@unepfi.org

HUMAN RIGHTS

20. New at UNEP FI: Human Rights and Finance

Human Rights and Finance is a new area into which UNEP FI is delving, following allocation of a seed budget at the UNEP FI AGM in November 2006. Consideration of human rights is integral to sustainable development and is directly linked to environmental and social impact assessment and risk management. Through its various business relationships, the finance sector is exposed to a number of indirect human rights risks, related to the conduct of customers and suppliers.

A group of UNEP FI Signatories and partners have expressed their interest in producing internationally applicable guidance for finance sector organisations on identifying and addressing human rights issues relevant to their businesses, highlighting relevant international laws, standards and initiatives, as well as examples of best practice, in the form of an online human rights "signposting" tool.

The United Nations Secretary-General's Special Representative on human rights and business, Professor John Ruggie, together with the High Commissioner for Human Rights, Louise Arbour, are organising a consultation on "Human rights and the

financial sector” on 16 February 2007 in Geneva. UNEP FI will be represented at the event, with Chris Bray from Barclays, Kirsty Jenkinson from F&C Asset Management and Paul Clements-Hunt, Head of the UNEP FI Secretariat speaking on the role that international human rights instruments can play in the decision-making processes of financial institutions.

For further information, please visit: <http://www.business-humanrights.org/Home>

Contact: humanrights@unepfi.org

To unsubscribe: email: LISTSERV@peach.ease.lsoft.com and in the body of the email type “signoff UNEP FI”

To subscribe: email: LISTSERV@peach.ease.lsoft.com and in the body of the email type “subscribe UNEP FI”

To contribute a piece to the ebulletin: email ebulletin@unepfi.org and find out about contribution opportunities and conditions.

The **UNEP FI e-bulletin** is a monthly publication of the United Nations Environment Programme Finance Initiative.
United Nations Environment Programme
Division of Technology, Industry and Economics
Economics and Trade Branch
Finance Initiative Unit

Chief Editor: Paul Clements-Hunt

Editor: Careen Abb (careen.abb@unep.ch) & Susan Steinhagen (susan.steinhagen@unep.ch)

Disclaimer:

The views expressed in this publication are not necessarily those of UNEP or UNEP FI, or of its signatories, nor does UNEP FI or its signatories take any responsibility for actions taken as a result of views or opinions expressed in this publication.

Copyright 2007 - UNEP FI