

< World Summit Business Event >

August 29, 2002

**Finance, Sustainability and Africa
UNEP FI African Task Force**

Sustainability and the Asian Finance Sector

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2003 UNEP FI Tokyo Global Roundtable*



1. Asia's Finance Sector

- ✓ **The role of Asia's Finance Sector in Sustainability is yet at an early stage.**
 - ✓ **But Sustainability awareness is visibly increasing.**
 - **more cooperation among the Asian region.**
 - **more linkages with international communities.**
 - **Eco and SRI funds are emerging.**
-

“mass -production, mass- consumption, and mass-waste”



“reduce, reuse, recycle”

2. Efforts by Japanese Companies

1. Japanese Companies' Environmental Policies

<April 2001>

“Green Purchasing Law”

“the Law for Recycling of Specified Home Appliances”

2. Financial Products and Services

- **BANKING ACCOUNTS**
which make donations to environmental conservation organizations
- **DISCOUNT INTEREST RATES on LOANS**
for the purchase of environmental conservation activities
- regarding environmental protection as an indispensable activity for loan recipients

3. Investment Process of Nikko Eco Fund

Nikko Asset Management's Research Universe :
approx. 600 stocks

Economic Screening

Rating Grades (1 to 5)
Financial analysis
Earnings estimates
Financial conditions, etc.

Positive list

Ecological Screening

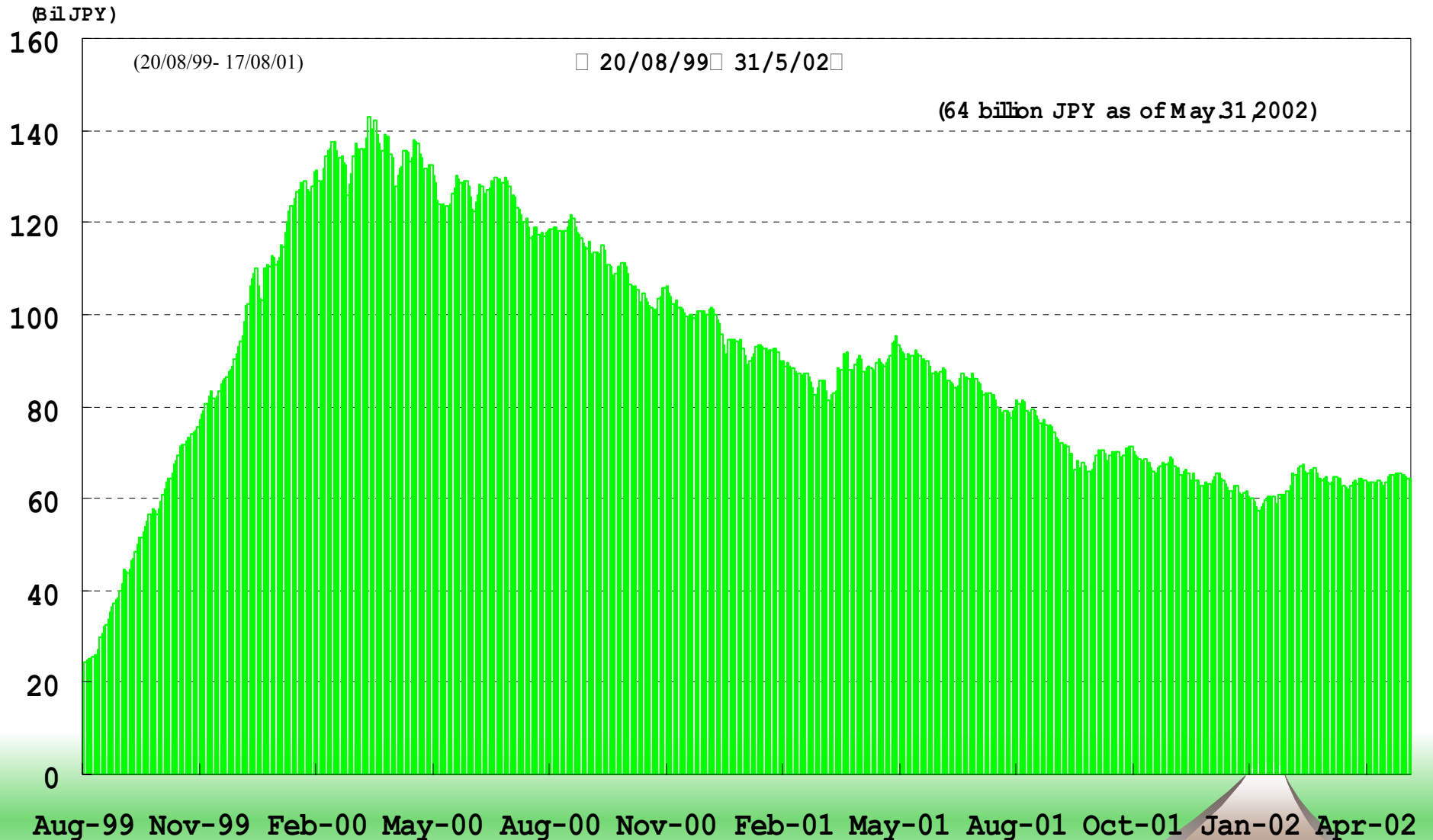
Fund manager in
collaboration with third party
specialist research company
Rating 6 grades (A+ to C-)

Investment Universe : 200 stocks

Final decision making
Final portfolio □ 100 stocks

Performance Analysis

4. Fund Size of “Nikko Eco Fund”



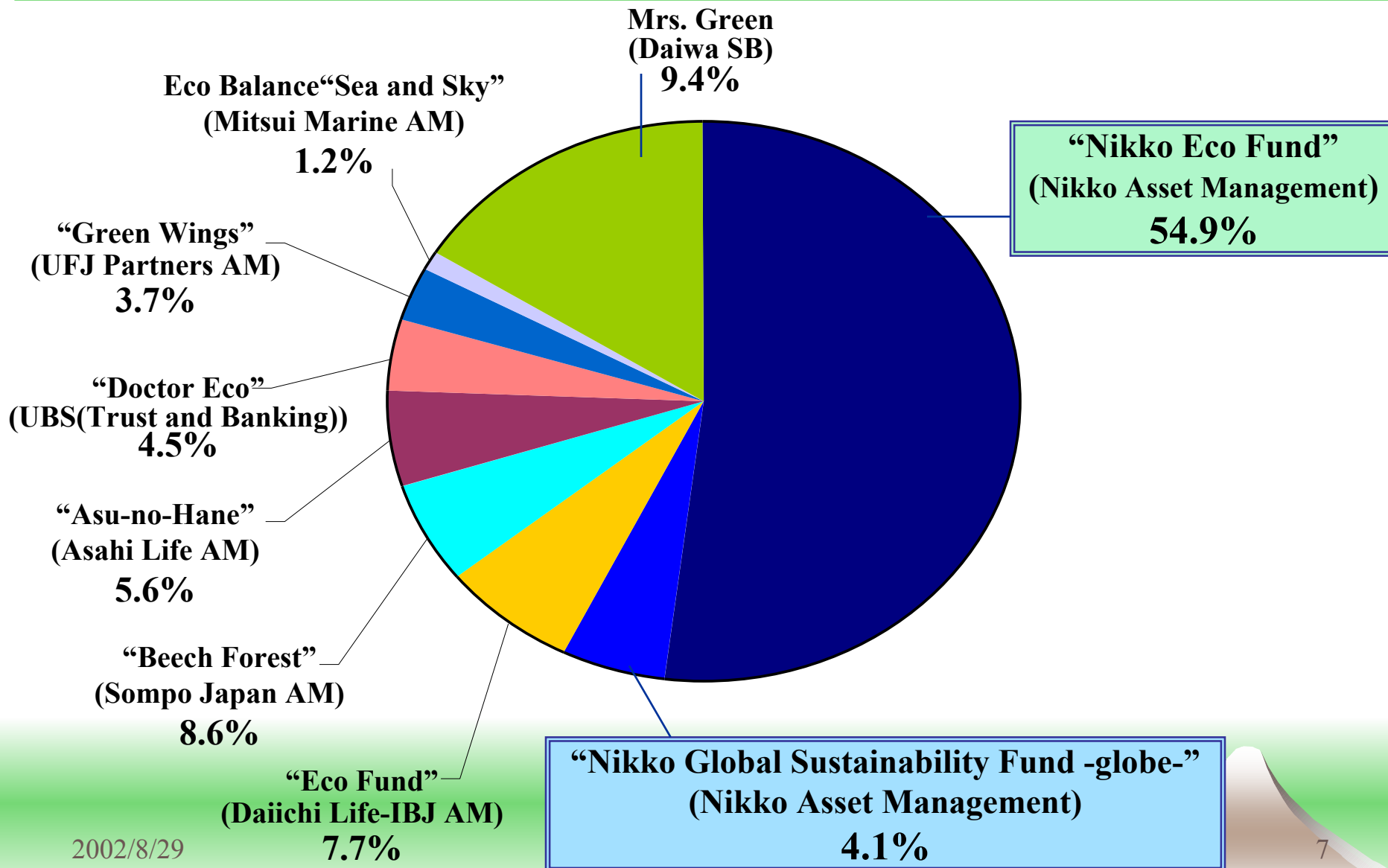
2002/8/29

5.Green Funds & SRI Funds in Japan (as of July 31,2002)

Established Date	Green Funds	Asset Management	Features	Total Asset (hundred million JPY)
Aug. 20,1999	Nikko Eco Fund	Nikko Asset Management	Japanese Stocks / green fund	539.55
Sept. 30,1999	Sompo Japan Green Fund "Beech Forest"	Sompo Japan Asset Management	Japanese Stocks / green fund	85.09
Oct. 22,1999	Eco Fund	Daiichi Life-IBJ Asset Management	Japanese Stocks / green fund	76.39
Oct. 29,1999	Dr. ECO	UBS Asset Management	Japanese Stocks / green fund	44.42
Jan. 28,2000	Green Wings	UFJ Partners Asset Management	Japanese Stocks / green fund	36.77
Sept. 28,2000	Asu-no-Hane	Asahi Life Asset Management	Japanese Stocks / SRI fund	55.19
Oct. 31,2000	Eco Balance Sea and Sky	Mitsui Marine Asset Management	Japanese Stocks and Bond / green fund	11.77
Nov. 17,2000	Globe	Nikko Asset Management	Global Stocks / SRI fund	40.36
June 15,2001	Mrs Green	Daiwa SB Investments Ltd.	Global Stocks / SRI fund	92.97

Total asset 982 hundred million JPY
(as of July 31, 2002)

6. The SRI fund market in Japan



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7. □ Impacts of Eco Fund in Japan

1. □ a new concept born;
“Green Financial Products”
2. emerging of **“Green Investors”**
3. encouragement for the Management;
(more considerations for environmental issues into their main business)
4. disclosure of environmental activities;
environmental reports,
environmental accounting
5. opened the door for **“SRI funds”**

8. Other Efforts

- **Ministry of Environment** has published a report on “More involvement from the financial institutions for environmentalism”
- **Bankers Association in Japan** established a study group to discuss environmental management.
- **Japan’s EXIM bank** launched environment-friendly guidelines of credit scrutiny standards when extending project finances abroad.
- **Development Bank of Japan** signed UNEP FI .

9. Keywords for the Future

- *a lesson from Japan's experience* -

✓ the Consumer Power

“grass-roots green investors”

✓ the International linkage

“regional to global focus”

1. globalization of economies
2. globalization of consumers
3. globalization of SRI

10. ASrIA 2002 International Conference

SRI: Practice & Vision in Asia

At Tokyo, UN University

Main Conference on 28th – 29th October

Monday 28th: SRI and Corporates in Asia

Tuesday 29th: SRI and Pensions in Asia

Wednesday 30th: Company Visits

- *200+ delegates expected*
- *SRI thought leaders from overseas*
- *Opinion formers from Japan*
- *SRI networking in Asia*

See asria.org for latest agenda



SRI in ASIA

Sustainable and Responsible Investment:
Practice and Vision in Asia

ASrIA ANNUAL CONFERENCE 2002

28-30 OCTOBER 2002 AT THE UNITED NATIONS UNIVERSITY, TOKYO, JAPAN

IN PARTNERSHIP WITH

UNEP Finance Initiatives
Innovative financing for sustainability

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