

Principles for Responsible Investment: signatories double in one year; Institutional investors ‘taking implementation to the next level’.

Seoul, Korea 2008-06-17

The Principles for Responsible Investment (PRI) Initiative, a partnership between global investors and two UN agencies surpassed a new milestone today. At an official ceremony in Seoul it was announced that the number of signatories more than doubled in 2008 to **381**, representing **USD 14 trillion** in assets under management.

At the same time, a comprehensive survey from the PRI shows some of the world’s largest institutional investors are making significant progress in integrating environmental, social and governance (ESG) issues into their day-to-day business. Though there is also still much to do.

PRI Report on Progress 2008 (www.unpri.org/report08), released at the PRI’s second annual conference, demonstrates that signatories are “going to the next level” in implementing the six principles backed by UN Secretary-General Ban Ki-moon. It reveals a **31%** increase this year in the number of asset owners (such as pension funds and insurance companies) who have signed up to the initiative and now publish specific reference to how they integrate responsible investment or ESG issues within their investment or ownership practices.

“The increasing percentage of PRI asset owners that are looking at ESG issues when selecting mainstream investment managers should be sending a clear signal to the market that responsible investment capability is becoming core to the way investment is done”, said PRI Executive Director James Gifford.

Key results from the survey include:

- **32%** of respondents said they would now revisit relationships with service providers in light of RI/ESG issue-related capabilities. A dramatic **68% increase** on the number of signatories willing to do this last year.
- **76%** of signatories report engagement in dialogue with policy makers and industry regulators on ESG issues. A sizeable **29% increase** in such activity among asset owners compared to last year.
- **70%** of signatories ask companies to produce standardized reporting on their environmental, social or governance policies, practices or performance, the same figure as in 2007, although with a further **10%** planning to do so in 2008.
- Signatories are becoming more collaborative. The number of asset owners involved in collaborative engagement to a medium or large extent rose from **38%** to **47%** this year. The PRI’s online Engagement Clearinghouse is proving an increasingly popular tool for such collaboration with **nearly half** of the respondents using it, up from 40% last year. A further **26%** of investment managers and **13%** of asset owners planning to use the Clearinghouse for the first time during 2008.
- Levels of disclosure reported by signatories in the 2008 survey were generally high. Among investment managers, **75%** of respondents are systematically reporting their RI/ESG related engagement activities to at least some extent and a further **18%** plan to do so in 2008. For asset owners, the corresponding figures are **76%** already reporting, with **6%** planning to do so in 2008.
- Principle 1 of the PRI, which focuses on incorporating ESG issues into investment analysis and decision making was ranked the most difficult to implement.

For additional comment, please contact:

Donald MacDonald

Trustee, British Telecom Pension Scheme

And Chair of the PRI
(Stirling, Scotland)

Tel: +44 7 763 477 212

Email:

donald.macdonald@btinternet.com

James Gifford

Executive Director of the PRI

(London, England)

Tel: +44 20 8144 6508

Email: james.gifford@unpri.org

Garrie Lette

Principal

Mercer

(London, England)

Tel: +44 20 7178 7187

Email: garrie.lette@mercer.com

Full name of report: *PRI Report on Progress 2008*

URL: <http://www.unpri.org/report08>

Notes for Editors:

Principles for Responsible Investment

The Principles for Responsible Investment, convened by the United Nations Environment Program Finance Initiative and the UN Global Compact, was established as a framework to help investors achieve better long-term investment returns and sustainable markets through better analysis of environmental, social and governance issues in investment process and the exercise of responsible ownership practices.

A full list of signatories to the Principles for Responsible Investment is available from <http://www.unpri.org/signatories/>

The Principles themselves can be found at <http://www.unpri.org/principles/>

PRI Conference

The PRI's second annual conference, *PRI in Person*, is being held in Seoul, Korea on 17-18 June 2008 and is to be attended by around 130 delegates from around the world.

Partner Agencies

UN Global Compact

www.unglobalcompact.org

United Nations Environment Program Finance Initiative

www.unepfi.org

Questionnaire details

In January 2008 PRI signatories were asked to complete a questionnaire intended to assess progress on implementing the six Principles during 2007. The questionnaire was completed by 78 asset owners and 78 investment managers. The overall response rate was 67% for both asset owners and investment managers who were signatories at the end of 2007.

The PRI Reporting and Assessment Tool was developed for the PRI by Mercer's responsible investing group with extensive input from the PRI Secretariat, the PRI Assessment Working Group, and a range of experts from signatory and other organisations.

Mercer

Mercer is a leading global provider of consulting, outsourcing and investment services. Mercer works with clients to solve their most complex benefit and human capital issues, designing and helping manage health, retirement and other benefits. It is a leader in benefit outsourcing. Mercer's investment services include investment consulting and multi-manager investment management. Mercer's 18,000 employees are based in more than 40 countries. The company is a wholly owned subsidiary of Marsh & McLennan Companies, Inc., which lists its stock (ticker symbol: MMC) on the New York, Chicago and London stock exchanges. For more information, visit www.mercer.com