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Media Release

## **Global pension fund leaders call for more active, collaborative owners in response to crisis.**

**(London, 23 February 2009).** Some of the world's largest pension funds have urged fellow institutional investors to accept their share of responsibility for the current crisis, to work together to improve risk management practices and create a culture of 'active ownership'.

In a joint statement today, the Board of the United Nations-backed Principles for Responsible Investment Initiative (PRI) said the world faces, "the largest financial crisis in a generation" and released an eight-point plan for institutional investors to respond to the crisis.

The Board members of the PRI represent some of the world's largest pension funds from five different continents including France's Fonds de Réserve pour les Retraites, PREVI in Brazil and the BT Pension Scheme - Britain's largest pension scheme. The PRI network now extends to 500 financial institutions worldwide.

Donald MacDonald, Chair of the PRI Initiative and a Trustee of the BT Pension Scheme said,

*"We believe this current crisis could have a catalytic effect of shifting the mainstream investment sector towards more responsible investment practices. Global pension funds such as those represented on the PRI Board have taken a long, hard look at the causes of the crisis and united behind the PRI as a robust framework to assist fellow institutional investors to avoid a repeat of those mistakes.*

*"As clients and part owners of the financial institutions at the core of this crisis, institutional investors should accept some shared responsibility for the behaviours that led to the crisis. In response, and to protect our investments over the long-term, institutional investors need to greatly improve due diligence within the investment chain, and to practice and incentivise much smarter risk management. We must factor into our decisions the full spectrum of environmental, social and corporate governance issues that have an impact on asset values. Institutional investors can make a positive*

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*contribution to rebuilding trust and confidence by taking action in support of our eight-point plan set out today. PRI signatories can lead from the front to make that happen.”*

Anne Stausboll, a PRI Board member and CEO of CalPERS (California Public Employees' Retirement System) added,

*“CalPERS believes integrating responsible investing with our asset management is part of our fiduciary responsibility. More than ever, we're committed to collaborative efforts to develop better regulatory and market risk management structures and to better assess and fully report risks and opportunities related to environmental, social and governance issues.”*

The PRI Board calls on institutional investors to:

- 1) See responsible investment, and the PRI framework, as an important part of the response to the current crisis and a tool to help build the structures to prevent the next one.
- 2) Invest *more* in responsible investment activities. Now is the time to enhance the capacity to research, understand and address ESG issues, in all parts of the investment chain.
- 3) Become signatories to the PRI and join a global network of peers working to address ESG risks and opportunities, both on the company and systemic levels.
- 4) Incentivise – in a concrete way – fund managers, asset consultants, brokers and research providers to ensure that they further enhance their capacity to research, understand and address ESG issues.
- 5) Invest in active ownership capability, monitor investments closely, and engage in dialogue with companies where risks are not being managed appropriately. Ensure shares are being voted in an informed and robust way.
- 6) Engage actively with governments and market authorities at a national and international level to ensure that responsible investment is seen as part of the solution, and any regulation supports the mechanisms through which investors exercise their responsibility (such as strong shareholder rights and corporate disclosure requirements).
- 7) Publicly disclose their responsible investment activities, and in particular, the measures being taken to respond to the crisis.
- 8) Promote the view within the entire investment chain that the long-term value and success of business are inextricably linked to the integration of environmental, social and governance issues into corporate management and operations, and that corporate responsibility will help restore the trust that is required for markets to function.

[The full statement can be viewed here.](#)

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Notes to editor

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- **The Principles for Responsible Investment (PRI)**  
The Principles for Responsible Investment, convened by UNEP FI 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. The Principles themselves, a full list of signatories and more information can be found at [www.unpri.org](http://www.unpri.org)
  
- **UN Global Compact**  
Launched in 2000, the UN Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption. Through the power of collective action, the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals. With more than 5000 participating businesses from over 130 countries, it is the world's largest voluntary corporate sustainability initiative.  
More at: [www.unglobalcompact.org](http://www.unglobalcompact.org).
  
- **United Nations Environment Programme Finance Initiative (UNEP FI)**  
UNEP FI is a unique public-private partnership between UNEP and the global financial sector. UNEP works with over 170 banks, insurers and investment firms, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through its comprehensive work programme encompassing research, training, events and regional activities, UNEP FI carries out its mission to identify, promote and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations. More information: [www.unepfi.org](http://www.unepfi.org)