

FairPensions is the campaign for responsible investment of UK pension funds.

Joint campaign by Oxfam and FairPensions forces Novartis to drop challenge to Indian patent law

A campaign by Oxfam, with help from FairPensions, has helped to secure the availability of affordable generic medicines for millions of people in developing countries. On 6th August Novartis, a major pharmaceutical company, announced that it would not appeal a ruling by the High Court in Chennai, India. The company was attempting to challenge an Indian law that allows the government to refuse patents for medicines which are “not truly innovative” and thus clear the way for the production of affordable generic medicines. Oxfam believes this law is crucial for the provision of medicines to some of the world’s poorest people.

In early 2007, Oxfam and FairPensions launched a UK campaign, which included individuals lobbying their pension funds about Novartis’ actions in India, and resulted in unprecedented pension fund scrutiny of the company. One major fund manager reported that it had ‘never had so many

questions from pension funds on a particular campaign issue.’

Alex van der Velden, Executive Director of FairPensions said “Investors should carefully consider the long-term implications of further attempts by pharmaceutical companies to challenge public health safeguards, which could threaten reputations in key emerging markets and undermine public acceptance of the intellectual property regime on which pharmaceutical profits depend”.

Oxfam sees the ruling as a clear message to the pharmaceutical industry to respect developing countries’ legal right to use the World Trade Organisation TRIPS (trade related intellectual property) safeguards in order to strike a fair balance between protecting public health and intellectual property. “This ruling is a vindication for India and a victory for campaigners” said Celine Charveriat, head of Oxfam’s *Make Trade Fair* campaign. “Developing countries

should not be bullied by pharmaceutical companies and forced into having to defend themselves in court for correctly using the safeguards available to them to protect public health.”



We would like to thank everyone who took part in the campaign. The ‘email your pension fund’ mechanism on our website proved to be a huge success. In all, over 600 emails were sent to 130 fund managers and pension fund trustees, representing £1.3 trillion of invested capital. This clearly influenced Novartis, and they admitted on record that they ‘didn’t quite expect the uproar we’ve had’ (*Wall Street Journal Europe*, 5th March 2007.)

More email campaigns will be coming soon, so watch this space!

FairPensions tackles the £7 Trillion investment management sector

October 2007 will see FairPensions launch a campaign to target the top 20 UK fund managers (the organisations that pension funds hire to manage their money). The campaign will begin with the publication of a report on fund managers’ transparency and engagement. We have been pleased by the interest that fund managers in the top 20 have shown: FairPensions has met or had discussions with more than half of the top 20, and several have subsequently made changes such as introducing public disclosure of voting records, holdings and engagement reports.

The total capital influenced by FairPensions now stands at **£820 BILLION**, an amount equivalent to the **Gross Domestic Product of CANADA**.

Taking Responsible Investment onto the world stage

This year has seen some astonishing successes for FairPensions. Two years ago we were a tiny organisation which faced an uphill struggle to even meet with representatives from large UK pension funds. Now FairPensions' opinion is being sought at international conferences, and we have influenced investors worth £820 billion.

FairPensions' Executive Director, Alex van der Velden, has already spoken at the *Ethical Corporation Sustainable Finance Summit* in London and the *European Investment Round Table* in Salzburg. FairPensions was also the only NGO that was invited to a Treasury Round Table at 11 Downing Street (hosted by Kitty Ussher MP) to discuss the new Myners Principles: these are

principles drawn up by an industry expert (Paul Myners) outlining how investors should engage with companies they have investments in, and how investors should become more transparent.



Al Gore

On 5-6 November, Alex will be the third keynote speaker at the **P8 summit**: a meeting of 8 of the world's largest institutional investors, which aims to "advance investment strategies to address global warming and natural

resource limits". Alex shares the bill with Al Gore and HRH the Prince of Wales. He will address successful strategies that institutional investors can adopt to combat climate change – and how most of them currently fail to do so. He will argue that they should adopt long-term investment strategies, where the risks and economic damage caused by climate change are a key part of all investment decision-making.

The summit is an invitation-only event, with only 32 people drawn from 8 pension funds being addressed by a range of experts on science, business, and technology, and by representatives from developing countries. These eight funds collectively steward over **\$2 trillion dollars, approximately 5% of World Gross Product** – a staggering figure!

The power of your donations

£1 donation = £4.5 million of capital influenced!

Although many of the investors we have influenced (£820 billion in total so far) still have a way to go, thanks to FairPensions they are now **more transparent** and have **started to consider the impacts of their investment portfolio on society and the environment** – something that can ultimately change the way companies around the world operate.

Our influence among pension funds and fund managers represents a huge amount of leverage for such a small organisation. Any money you choose to donate will be put to good use, so please give generously!

Pension Fund Transparency under FairPensions' spotlight again

For the second year running, FairPensions is conducting a survey of transparency and engagement among the UK's Top 20 Pension Funds. This year's survey places particular emphasis on engagement on Environmental, Social, and Governance (ESG) issues. It will examine the funds' transparency, and focus on their strategies and priorities for addressing Responsible Investment.

Many funds scored very poorly in the 2006 survey. Several household names (including the pension schemes for HSBC, the Royal Bank of Scotland, Lloyds, NatWest, and BAE systems) were found to be remarkably secretive about investments and practices. FairPensions have been in continuous talks with the majority of funds surveyed, in an attempt to improve their performance.

"Since last year's survey several of the funds have indicated that they are very keen to work with us to improve their transparency," noted Duncan Exley, Campaigns manager "A lack of transparency is one of the primary obstacles to responsible investment, and improvement in transparency among some of the largest pension funds in the country is a big step in the right direction."