

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

WHY RESPONSIBLE INVESTMENT MATTERS

Right now, people are fighting against mining companies who are evicting communities, using the military to suppress their protests and contaminating their land and water. Elsewhere, arms companies have sold weapons to regimes which use them against pro-democracy demonstrations. These companies, and others like them, are financed by ordinary people through pension funds.

UK pension funds have assets of £725 billion, equivalent to five times annual export earnings for the whole of Africa. They are able to have a significant positive effect on corporate behaviour. FairPensions is committed to ensuring they do just that.

NEWS

ETHICAL CONSUMERISM: FROM BACKWATER TO MAINSTREAM

Following in the footsteps of Fairtrade, ethical investment is now becoming a mainstream concern: last year saw an 8% rise in the number of people invested ethically, and in the last week, widely-reported research for Friends Provident found that one in six people said that their top priority from investments was to get "both ethical values and financial returns".

On 5th July, a two-page spread in the Daily Mirror reported that "millions take the ethical path" pointing out that "the number of 'conscience consumers' will more than double in the UK from

1.5 million to 3.9 million by 2009" and featuring a guide to ethical investment product providers. All of this media attention serves to let even more people know that there is more to investments than just returns.

FairPensions intends to make pension funds the 'next big thing' for ethical consumers: we will soon be launching a major campaign to educate pension fund members on how their own money is used and how they can lobby for their fund to adopt Responsible Investment.

FAIRPENSIONS LAUNCHES GUIDE FOR PENSION FUND TRUSTEES

Part of FairPensions' work is to persuade pension funds to adopt good Responsible Investment policies. As part of this work, we launched a 'Responsible Investment Best Practice Guide' for Pension Fund Trustees on 27th July, which has already

received substantial interest from the pensions-industry press.

The Guide shows why Responsible Investment is in the interests of trustees as well as members, making a strong legal and financial case. It is available on the FairPensions website.

CAMPAIGNS

A QUIET WORD...

As well as getting pension fund members activated, and using the investment press to persuade pensions professionals, FairPensions has also been engaged in behind-

the-scenes lobbying of the staff and trustees of major pension funds. We have been making the case that Responsible Investment isn't just about human rights and the

environment; it can also increase returns and avoid legal risks. In all, FairPensions is now directly lobbying pension funds which are together worth over £90 billion.

MAKING PROGRESS WITH THE UK'S SECOND BIGGEST PENSION FUND

The Universities Superannuation Scheme (USS) is the UK's second-largest pension fund, and one of the few which has a clear Responsible Investment policy, as a result of the campaign which launched FairPensions.

As we reported in the previous "Supporter Update" there are still areas in which USS is failing to implement its policy, and we are keeping up the pressure on them to work for improved company

behaviour and to reflect the wishes of their members.

In the last few months, hundreds of FairPensions supporters within USS have signed statements asking USS to implement its own policy by engaging with specific companies that face widespread criticism over their human rights record.

More recently, FairPensions was consulted as part of USS' five-

year review of its Responsible Investment policy. As part of our input, we challenged USS to consult members about the issues important to them, increase its engagement with specific companies and improve the information given to members about its activities.

Encouragingly, USS has already agreed that there are areas of its policy that should be improved – we will keep you updated on any progress.

GOVERNMENT PENSION PLANS AND RESPONSIBLE INVESTMENT

In spring we asked FairPensions supporters to contact their MP, asking that any new National Pensions Saving Scheme (NPSS) should be invested responsibly. Since then, the

Government has said that "a range of investment options, including socially Responsible Investment, will be provided under personal accounts".

FairPensions continues to call for the overall NPSS to adopt European best practice on Responsible Investment (similar to, for instance, Norway's government pension scheme).

PLEASE HELP FAIRPENSIONS

FairPensions is run from a small basement office on a very small budget. We thank you for your support, which we rely upon to continue our campaigns. If you do not already do so, please consider helping us by making a regular donation (form enclosed). You can also make a one-off donation by cheque or credit card.

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