

FairPensions launches

JustPay! Campaign for Living Wages

On 2 May we launched our new campaign to permanently embed Living Wage standards in the UK's private sector, beginning with the biggest companies on the London Stock Exchange, namely the FTSE 100.

We have secured the support of 19 major investors from both the UK and the US who have begun putting pressure on FTSE 100s and demanding that they pay Living Wages. On 2 May, we sent a letter to the CEO of every FTSE 100 company signed by investors representing over £10 billion pounds of assets, which called for them to implement Living Wage standards.

But it's not just big investors who are piling on the pressure. We have a brand new action tool through which thousands of people are mobilising their money. The British public holds billions of pounds through our bank accounts, ISAs, pensions, and even insurance policies. This gives us the power to positively influence some of the biggest companies in the world. And that's what we're doing to lift families out of working poverty.

After The Living Wage Assembly on 2 May, we had hundreds of people sign up to take action on low pay and the pressure has been building on FTSE 100s ever since.

Why do Living Wages matter?

Low pay is a growing problem in the UK and is closely associated with other social disadvantages including poor health, substandard housing and personal debt.

Excluding young workers, amongst whom low pay is even more prevalent, 3.5 million working adults aged over 22 were earning less than £7 per hour in 2010.

AGM Training

On 19 March, FairPensions held its first ever AGM training day aimed at equipping individual shareholders with the skills they need to ask the questions that corporations don't necessarily want to answer.

Attendees received training on gaining access to an AGM by buying shares or finding proxies, what to look out for in company reports, how to make the most of the AGM, both inside and out, and the types of questions likely to hit home. Individual workshops allowed groups to prepare specific AGM plans on a range of issues from tar sands to living wages.

JustPay!

LIVING WAGE CAMPAIGN

Good for companies,
good for workers:

"We've found that paying the Living Wage is a smart business move as increasing wages has reduced staff turnover and absenteeism, whilst productivity and professionalism have subsequently increased."

– Guy Stallard – Director of Facilities,
KPMG Europe

What is the Living Wage?

A Living Wage is the minimum hourly wage necessary for housing, food and other basic needs for an individual and their family. Living Wage employers ensure all their own staff and those of their on-site contractors are paid at least the Living Wage across all UK operations.

The Living Wage in London is £8.30 an hour while the rate set for outside London is £7.20 an hour. These Living Wages can be contrasted to the National Minimum Wage, which is just £5.93 an hour (set to rise to £6.08 in October 2011).

Take Action

Our action tool is open to anyone who has a financial product with a FTSE 100 company and that probably includes you! To take action and call on big companies to pay the Living Wage please visit:

activateyourmoney.org



BP Update

Following on from our 'Tar Sands' and 'Got Oil?' campaigns, FairPensions has been working with an international coalition of investors who are concerned about BP's lack of risk management disclosure in the wake of the Gulf of Mexico oil spill. Although a decision was made in January to postpone filing a shareholder resolution to challenge the company to address these concerns, the investors together with FairPensions have been continuing to monitor BP. In early April, we published an in-depth analysis of BP's Annual Report and, as a result, many of the investors declared their intention to vote against or abstain on key resolutions at this year's AGM held on 14 April.

A massive 43% of voting shareholders withheld support on the re-election of the head of the Safety, Environmental and Ethics Action Committee, 25% refused to support the Remuneration Report while 15% withheld support on both the re-election of the Chairman and the Annual Report – in each case a significant increase from 2010. FairPensions will continue to work with the coalition to improve BP's disclosure practices.

The day finished with a practice run at the AGM of Waffle plc. As part of our JustPay! Campaign, FairPensions and our shareholder army is travelling around the UK to the AGMs of many of the country's biggest companies to ask questions on Living Wages. For more information visit:

[fairpensions.org.uk/
shareholderactivist](http://fairpensions.org.uk/shareholderactivist)

Other News

Government announces 'Red Tape Challenge'

Vince Cable launched the 'Red Tape Challenge' which allows businesses to identify regulations that they consider a burden. In a speech to the British Chamber of Commerce he said that regulations would be presumed 'guilty until proven innocent'. Our CEO, Catherine Howarth, said: "We are concerned that the Government's purge of regulation could lead to regulatory advances which are clearly in the public interest being unravelled simply because they are inconvenient to business."

Shareholder nuns and Goldman Sachs

A group of shareholding nuns have brought a shareholder resolution to Goldman Sachs questioning the level of executive pay in the firm. Sister Nora Nash said that her founding saint, St Francis of Philadelphia, would be "spinning in his grave" if he knew what the Goldman elite were paying themselves.

Australian shareholders put climate on agenda

Three Australian companies – Aquila Resources, Paladin Energy and now Oil Search – have now moved to report emissions or adopt a reduction target following engagement with The Climate Advocacy Fund. This news from Oil Search demonstrates that shareholders are increasingly supportive of companies managing climate risk, and that companies are listening and responding to this.

Sustahood.com

ING axe exec bonuses

After being twice bailed out by the Dutch government, ING did not award its executives bonuses this year. ING customers mobilised on Twitter and other social networks in protest at bonuses paid to bosses at the bank, one of the biggest in the country. The threat of direct action raised the spectre of a partial run on ING and led to the top executives not taking their bonuses.

About FairPensions

FairPensions runs the campaign for Responsible Investment, highlighting business practices that are negligent or harmful to people or the environment, and catalysing action to change them.

Protecting Our Best Interests

March saw the culmination of our major research project on investors' fiduciary duties – the legal obligations they owe to you, the people whose money they manage. Fiduciary duties exist to prevent agents from abusing their position to further their own self-interest, rather than the interests of the people on whose behalf they act. Yet, as many supporters will know, 'fiduciary duty' is often invoked by pension funds to justify a refusal to become a responsible investor.

We believe this is a distortion of the law. Our report challenges government and industry to 'rediscover' the true purpose of fiduciary duty and make sure that it is being applied by all those who make decisions about how our money is invested. We're also calling on the government to introduce an 'enlightened fiduciary' standard, encouraging investors to look to the long-term and take account of wider issues, like sustainability and their members' views, rather than fixating on short-term profits.

The report is already making an impact. Our launch event on Wednesday 30 March was packed to capacity with key players including trustees, fund managers, regulators, government officials and lawyers. Ed Davey, government minister in the Department for Business, gave an encouraging keynote speech, describing the report as "incredibly impressive". More importantly, he confirmed that fiduciary duty is about more than maximising the bottom line, saying that investors should be taking ESG issues into account, and that they should be transparent about how they exercise their rights to vote at company AGMs.

Pushing for Transparency

In our last newsletter we reported on our campaign for greater transparency, launched after the Gulf of Mexico oil spill. Over 1,500 of you emailed Pensions Minister Steve Webb demanding the right to know what your pension fund is doing to manage environmental and social risks.

Since then we've been working hard to keep your concerns on the agenda. We've met with the Pensions Minister and persuaded him that this issue matters. In December, we worked with Jon Cruddas MP to initiate a parliamentary debate on the subject. In response, Steve Webb backed the need for greater transparency, saying "there is occasionally a need to remind those who manage our money that it is our money". And in March, we helped secure a debate in the House of Lords as part of its consideration of the Pensions Bill.

We believe that pension providers should take the trouble to watch what companies are getting up to around the world and listen to the views of members - it's your money after all.

Where malpractice is identified, you'll want to know that action to stop it will be taken.

Responding, David Pitt-Watson of Hermes said that rediscovering fiduciary duty was fundamental to the future of finance – an opportunity to give savers a system they could trust, which gives them both a better pension and a better world.

You can read the report online at fairpensions.org.uk/fiduciaryduty. We'll be working hard over the coming months to build support for its recommendations.



CITIZENS UK

New Members

We've been working with Citizens UK for the JustPay! Campaign and are pleased to welcome them as a new member. Citizens UK is the national home of community organising in Britain. Their goal is to increase the power of communities to participate in public life.

For more info see: CitizensUK.org

Government Minister Lord Freud reiterated that "it is important for pension funds and their investment managers to be transparent in publishing their approaches to [environmental and social] issues", saying that the government is "open to suggestions on how to improve this process".

We've come a long way from the government's initial refusal to engage with our concerns. The next step is to translate this into concrete improvements. We'll keep you updated on our progress.

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