

Theory of Change

April 2010

FairPensionsTM 
The campaign for **responsible** investment

Summary of FairPensions' Impact

Our work makes an impact in 5 key ways:

PEOPLE

We let people know about the power of their pension savings to improve corporate behaviour whilst giving them the tools to demand responsible investment. With our help, over 6000 people in countries around the world have taken direct action to secure responsible investment.

COMPANIES

Our single-issue campaigns bring shareholder pressure to bear on particular companies and have delivered direct results with multi-nationals (e.g. campaign for greater access to medicines in India; securing detailed corporate disclosures on Canadian oil sands operations).

ASSET MANAGERS

Our published rankings of asset managers (with \$22trillion assets under management) have triggered measureable change in their Responsible Investment performance. Between 2007 and 2008 we saw a 23% improvement in the average score of asset managers surveyed. Widespread press coverage and client interest in our results has made it a competitive disadvantage to perform poorly in FairPensions' survey.

"Your survey certainly stimulated internal discussions regarding how we do things. It has been thought provoking and highlighted where the key challenges lie for investment managers truly trying to be responsible."

- Baillie Gifford Asset Management

PENSION FUNDS

The research behind our annually published Responsible Investment (RI) ranking of UK pension funds beams a spotlight on the policy and practice of these investors. In the last 2 years this exposure has catalysed a substantial increase in the attention given to Responsible Investment by pension fund boards with over £150bn of assets.

"FairPension's last performance scores certainly helped hammer home the need for improvement with fellow trustees and officers." (Local Authority Pension Fund Trustee)

Each year our analysis goes deeper, moving from a focus on transparency to examine funds' depth of commitment to Responsible Investment and the resulting impact on what companies are doing in the UK and overseas.

GOVERNMENT & REGULATORS

The regulatory framework is critically important to shifting responsible investment into the mainstream. The financial crisis has created a new appetite for national and international regulatory reform. FairPensions is now advocating for a range of specific changes in the law (e.g. mandatory voting disclosure). We have rapidly gained access to top decision makers and we are building a broad base of support for reform.

FairPensions' small team (5 full-time; 1 part-time) has influenced over \$400bn of pension fund capital to invest more responsibly since 2005. The leverage we gain for an organisation of our size is unique.

FairPensions' core charitable aim is the promotion of investment for the public benefit in order to advance: the relief of poverty, protection of the environment, promotion of human rights, sustainable development, and compliance with the law and ethical standards of conduct.

Our vision is that across the world companies' contribution to human and environmental well-being grows year by year, triggered by demand for responsible behaviour from their major global investors.

Success will be a world in which:

- People see their retirement savings as an arena for the expression of their values. Pension fund members drive demand for responsible standards of conduct throughout the investment chain.
- Pension funds and asset managers report publicly every year on action taken to secure social and environmental returns as well as sustainable financial returns.
- Companies contribute positively to the human and environmental well-being of the communities in which they operate; their senior executives report on corporate practices which still require improvement as well as action planned to address such practices.
- Regulatory authorities and the accounting profession require Responsible Investment, promoting robust standards for action and reporting by companies and their investors.
- A well-informed civil society/ NGO sector subjects companies and investors to independent scrutiny, maintaining pressure for continuous improvement in the social and environmental impacts of companies.
- Pension fund members and retail investors can see where their money is invested, how shareholder votes have been cast, and what action has been taken on their behalf to improve financial, social and environmental sustainability.

Explanation of Document Structure

The document falls into 3 sections:

Part A covers our analysis of the problems we seek to address and their underlying causes, it explains the targeted set of institutions we engage with directly and the wider impacts resulting from the approach adopted;

Part B deals with the outputs our workplan is designed to deliver;

Part C deals with inputs including the tools we employ and external support we tap into.

In sections A and B we provide a **summary of the key arguments** on the left, more **detailed explanations** in the centre, and **evidence supporting the arguments** on the opposite right hand page.

Sources

This document draws mainly on GrantCraft's Theory of Change model. Headings and questions are taken directly from their Mapping Change guide. Keystone Accountability's guide to Theory of Change was another source.

Other material drawn upon include New Philanthropy Capital's guide to campaigning, '*Critical Masses*', and Crutchfield & McLeod's 2008 book, '*Forces for Good: The Six Practices of High Impact Non-Profits*'.

1. What is the problem we want to address?

SUMMARY

DETAIL

Companies can and should do more for the communities in which they operate. Their shareholders must be challenged to demand this.

The aim of FairPensions' work is to drive behaviour change amongst corporations around the world. We want to see large, publicly traded companies make a greater contribution to human and environmental well-being.

Our work applies pressure on companies via their owners. In law, companies are accountable first and foremost to their owners. For this reason FairPensions believes that owners, particularly pension funds, are key to any systemic and sustained improvement in corporate behaviour.

Today, the retirement savings of millions of citizens sustain a wide variety of irresponsible corporate practice.

At present pension funds and other major investors are not held accountable for negative downstream impacts of the companies they invest in. As a consequence of this accountability deficit the retirement savings of millions of citizens in different countries sustain a wide variety of irresponsible corporate practices.

2. What do we believe is the underlying cause of the issue or problem?

Our work is underpinned by a number of interconnecting beliefs and observations:

i) Too few major shareholders signal to companies a clear interest in responsible corporate practice

Belief 1: Companies will respond positively to sustained pressure for responsible behaviour from large shareholders. Conversely, when investors fail to signal that profits should be generated in the context of socially responsible corporate behaviour, company executives tend to focus on short-term profit generation in isolation.

ii) Responsible Investment is not yet embedded within the policy and practice of institutional investors

Belief 2: Sustained shareholder pressure for responsible corporate behaviour requires that a critical mass of large investors adopt robust Responsible Investment policies.

iii) Pension fund members' views are not sought and their voice is not encouraged by the professionals who invest on their behalf

Belief 3: Many pension fund members and retail investors would be unhappy with the lack of attention given to environmental, social and governance (ESG) issues if they knew about it. Furthermore, people are unaware of the potential power of their savings and investments in influencing corporate behaviour. Fund members' and retail customers' views are not sought by their trustees or asset managers, contributing to this lack of awareness. Consequently popular demand for Responsible Investment has, historically, been weak.

iv) Investors' actions are not transparent, holding back progress on RI

Belief 4: Transparency is a powerful catalyst of change: transparency drives responsible investor behaviour.

v) Industry self-regulation has failed to deliver responsible ownership

Belief 5: A regulatory framework requiring investor transparency and social responsibility would drive higher standards of corporate behaviour. Conflicts of interest are widespread in the pension field and not dealt with adequately by existing regulatory structures. Asset managers too often prioritise short term price signals over factors which drive sustainable corporate performance, including environmental and social risks.

PART A: Evidence and Supporting Information

i) There are many examples of shareholder pressure driving corporate behaviour change.

We cite two strong examples below - one stimulated directly by FairPensions and one independent example.

Example 1: In 2007, FairPensions and other NGOs campaigned to persuade Swiss pharmaceutical company, Novartis, to drop a court case to defend patents in India, arguing this would restrict the availability of affordable generic medicines in developing countries. FairPensions, believing that investors could directly influence Novartis' decision, targeted pension funds and asset managers with Novartis shares. Following a period of engagement with investors and a mobilisation of individual pension holders, Novartis announced it would drop the case. Asset managers reported that they had "never had so many questions from pension funds on a campaign". Novartis admitted in the Wall Street Journal that it "didn't expect the uproar".

Example 2: The New York Pension Fund (managing over \$90bn in assets) has made active use of its shareholdings in companies with operations in Northern Ireland to seek enforcement of the MacBride Principles (which seek non-discrimination of Catholics in the province). Since 2003, the Pension Fund has negotiated MacBride implementation agreements with major US companies with franchise operations in Northern Ireland, including Marriot hotels, Coca-Cola and ExxonMobil. In 2006, the fund demanded that a loyalist mural in Belfast be removed from the side of a Kentucky Fried Chicken. They reminded the company that New York's Pension Fund owned KFC shares worth more than \$30m. The mural was painted over in less than 24 hours.

ii) Corporate Governance: An Example of Shareholder Pressure Driving Change in Corporate Behaviour

Despite publication in the UK in 1992 of the Cadbury Report on Corporate Governance, a decisive shift away from boardroom practices highlighted by Cadbury has only been achieved in the last eight to ten years. Examining this history, it took scrutiny and demand for change from a critical mass of mainstream investors to tip the balance to the point where company directors responded seriously. Shareholders' rejection of Glaxo Smith Kline's remuneration report in 2003 was a watershed moment.

Companies' environmental and social impacts are already an issue of concern to some investors, but we have yet to reach a comparable tipping point where the quantum of international capital signed up to Responsible Investment demands a new attitude on the part of company directors. We are however getting closer to it. Since its launch in 2005, the UN Principles for Responsible Investment has attracted investors with assets totalling \$15 trillion. So far pension funds internationally which have signed the PRI represent only a small fraction of global pension fund assets but signatories include many of the largest schemes around the world (Norway's Global Pension Fund, CALPERS, BT pension fund, USS, ABP in the Netherlands). Smaller ones are signing up month by month. Maintaining pressure on investors' embedded policy and practice through initiatives like the UNPRI is essential to sustaining progress.

iii) Consumer Appetite for Responsible Investment

UK research commissioned in May 2009 by Co-operative Financial Services found that 18 per cent more people intended to invest ethically in the year to come compared to before the financial crisis. At the same time, research from Friends Provident reveals that 54 per cent of people think ethical investing is more important now than it was 25 years ago. Friends Provident's research found that 45 per cent of people thought it important that pension fund managers take social, ethical and environmental issues into consideration as long as they remained a 'good' investment.

FairPensions' success in mobilizing over 6000 individuals to demand responsible investment of their savings is further evidence of untapped popular demand. This highlights the importance of awareness-raising.

iv) Transparency and Responsible Investment are closely connected

FairPensions' independent research indicates a consistent positive correlation between transparency and responsible investment. Local government pension funds provide an interesting illustration. As public institutions and major recipients of public funds, these funds are required by law to provide a higher level of public disclosure about investments relative to private pension funds. We believe this transparency requirement is a significant factor in explaining the stronger performance on Responsible Investment of the local government funds in the UK compared to private sector funds with similar asset holdings.

The UK's Institutional Shareholders Committee, representing pension funds and fund managers, published a framework on voting disclosure in 2007. This stated that disclosure was "generally desirable", but left it up to individual institutions how to disclose. Over two years later there has been only a relatively small increase in the number of asset managers reporting voting data publicly, with only a small number making meaningful disclosures. This example neatly illustrates the ineffectiveness of industry self-regulation.

PART A: Assumptions (continued)

3. At what depth or level do we want to work?

SUMMARY

DETAIL

i) FairPensions' work focuses on institutional investors, mainly in the UK.

Our work focuses on influencing: pension funds, asset managers, policy makers and civil society institutions. Whilst most of our work to date has focused on UK players, we are increasingly establishing strong and productive working relationships with overseas organisations that have complementary objectives e.g. CERES in the USA, The Climate Institute in Australia, and EUROSIF.

ii) We focus on the mainstream not the SRI or ethical niche

We concentrate on the mainstream investment community rather than the SRI or ethical niche. Our analysis of power suggests this is where the greatest leverage over corporate behaviour can be secured.

iii) Partnership is core to our method of working

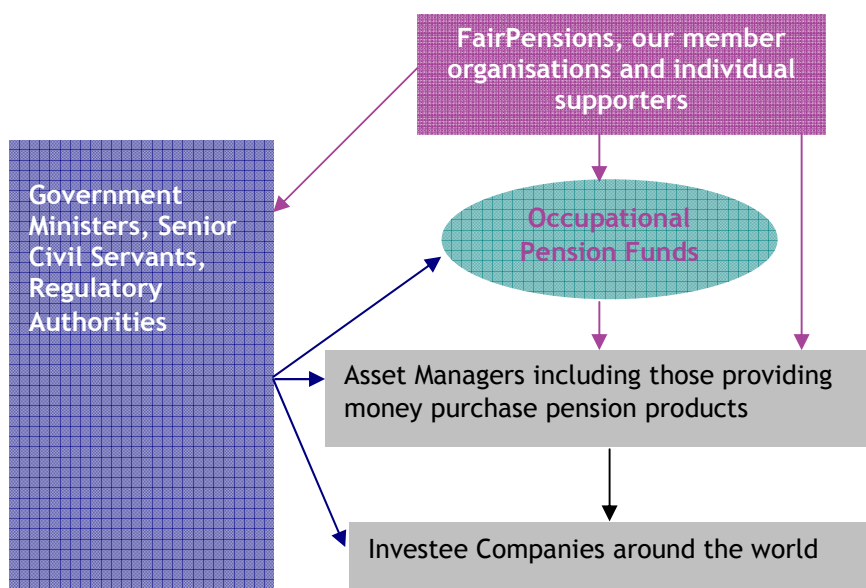
We frequently work in partnership with other NGOs and with civil society institutions in the UK and overseas. We are building links with top academic institutions (e.g. 2010 project on future of fiduciary duty with Cass Business School which is bringing speakers over from the USA and Canada).

iv) We concentrate on the largest pension funds and fund managers. These investors have disproportionate influence on company behaviour

Our limited resources mean we concentrate on occupational pension funds and asset management firms rather than endowed charities and foundations, life assurance companies, and other investors. Furthermore within the UK's pension fund and fund manager universe, we focus mainly on the 30 largest (by assets under management) in each of these sectors.

Globally, the largest pension funds exert disproportionate influence on the asset management industry; similarly the largest global asset managers call the shots with company directors.

Fig: Institutions Impacted by FairPensions' Work



i) The groups FairPensions works with (and will be working with) directly include:

- Largest global occupational pension funds (as measured by Assets Under Management)
- 99 local authority pension funds in the UK
- 30 or so largest global asset managers by (as measured by Assets Under Management)
- The UK's Pensions Regulator; Secretary of State for Work and Pensions; The Financial Reporting Council
- An expanding network of UK and overseas NGOs/civil society orgs whose interests coincide with our own.

ii) The importance of the mainstream

UK pension providers (which own over 20% of the FTSE all-share index) interpret their fiduciary obligations to diversify and to act in the best financial interests of scheme members as preventing them from screening portfolios on the basis of ethical criteria. Consequently, the vast bulk of invested retirement savings in the UK are with mainstream fund managers rather than SRI or 'ethical' fund managers. This is unlikely to change in the short or medium term.

Any campaign to bring investor pressure to bear on companies to improve social and environmental impacts must influence the policies and practice of these mainstream occupational pension funds and the asset managers they employ. Assets under management in the socially responsible investment sector are too limited in most cases to sway company directors. In December 2007, just £8.9 billion was invested ethically in the UK.

Below are examples of fund managers for whom we have evidence of improved practice following dialogue with FairPensions:

- Barclays Global Investors - now publishes a summary engagement activities and has increased RI staff resource
- BlackRock - policy disclosure, summary voting analysis, now voting globally, increased RI staff resource. FairPensions' dialogue with BlackRock was instrumental in persuading them to sign the PRI.
- Baillie Gifford - Now publishes its voting record and a summary of engagement with companies on ESG issues
- Fidelity - doubled the RI staff resource
- Goldman Sachs - increased resource devoted to RI
- Legal and General - now publishes its full voting record and a summary of engagement activities
- Schroders - improved its voting disclosure
- Standard Life - significantly improved policy disclosure
- Wellington - increased resources

A number of asset managers have agreed to confirm in writing the role FairPensions' work has played in changing their policy and practice: *"Your RI questionnaire and related report, and our subsequent engagement with you, has helped to stimulate discussions regarding our approach and transparency. As a result we have already taken steps to improve disclosure and clarity around our policies, and are considering further improvements to enhance commitment to responsible investment at Threadneedle"*

Our Fund Manager Surveys in 2007 and 2008 showed the following impacts on the 20 firms who we researched in both years:

- 23% year on year improvement in average performance of funds surveyed
- minimum score of 21% versus 0% prior year
- All now have some dedicated RI resource (6 managers did not in 2007).
- 50% of them improved the transparency of their activities.

iii) In 2010 FairPensions' Member Organisations include:

ActionAid, Amnesty, BECTU union, CAFOD, Community union, Ecumenical Council for Corporate Responsibility, EIRIS, GMB union, Greenpeace, CWU union, OXFAM, National Union of Journalists, UNISON, UNITE union, Occupational Pensioners Association, PCS union, World Wildlife Fund.

PART B: Outputs (or Preconditions)

4. What changes have to happen for our vision of success to come about? What preconditions are critical to success?

SUMMARY	DETAIL
<i>i) Investor collaboration</i>	A key precondition is effective collaboration amongst investors signed up to responsible investment principles. ¹ Companies need to see strength in numbers. Collaborative investor initiatives to demand responsible corporate behaviour are being developed through the UNPRI and through a number of national level initiatives.
<i>ii) Mandatory reporting by investors on the social and environmental impacts</i>	Another precondition to raising standards of corporate social responsibility is an investment sector whose participants themselves report on what they are doing to minimise the negative social and environmental impacts of investee companies. In the UK, FairPensions is pressing for mandatory reporting requirements whilst calling upon investors to voluntarily report on voting, engagement, and the impacts on companies.
<i>iii) An informed and empowered civil society sector focused on investors</i>	Another crucial part of the solution is a better informed and empowered civil society sector which holds accountable the investment industry to a moral bottom line.
<i>iv) Active regulators who call for and require responsible investment</i>	We need a political culture and regulatory environment which clearly signals and guarantees by force of law that capital markets institutions contribute to the common good rather than enabling excessive private gain by a small minority.
<i>v) Commercial motivation for excellence in Responsible Investment driven by client demand</i>	In the case of asset managers, success hinges on a commercial imperative to adopt responsible investment. Client demand for Responsible Investment will catalyse a flow of resources at the manager level into ESG research, engagement with companies to secure changes in behaviour, and reporting on the results of engagement.

PART B: Evidence and Supporting Information

i) Collaboration between Responsible Investors is essential to securing change in company behaviour

In late 2009, FairPensions began work on our most ambitious campaign to date, using shareholder resolutions at BP and Royal Dutch Shell to challenge tar sands extraction projects. In the UK market shareholder resolutions are extremely rare - the BP and Shell ones were the only resolutions filed in 2010. Step one was to pull together the 100 shareholders in each company required to file a resolution in the UK. Co-filers were identified in the USA and the UK for this purpose. Following this early success, a major global effort to secure votes in support of the resolutions was launched. Across the USA, Canada, Australia, Continental Europe and the UK large investors received briefings from FairPensions encouraging them to vote in support of the resolutions' call for greater disclosure on risks and risk management in the Canadian Tar Sands. Meanwhile, using an on-line tool developed for the campaign, FairPensions mobilised thousands of pension fund members to email their pension provider calling for votes in support. A collaborative network of NGOs and unions in three continents was engaged to get the word out about the web tool. The result was an eight fold increase in use of a FairPensions' webtool compared to previous campaigns.

The Local Authority Pension Fund Forum (LAPFF) is the UK's most prominent pension funds collaborative initiative focused on responsible investment. In 2008, LAPFF supported FairPensions co-campaign with CAFOD to raise awareness of the human and environmental impacts, as well as business risks, of mining companies' activities. This led to a range of local authority pension funds taking account of the issue for the first time. *"It is genuinely helpful to have the FairPensions/CAFOD views [on the international mining industry] brought to our attention. To date our focus has been on good corporate governance. This is very much a starting point and I believe we will be giving increasing attention to environmental and social issues"* Kent Council Pension Fund

Perhaps the best known investor collaboration is the Carbon Disclosure Project, which has signed up investors with a combined \$55 trillion under management. In 2008, CDP published the emissions data for 1550 of the world's largest corporations, accounting for 26% of global anthropogenic emissions.

A key initiative of the United Nations Principles of Responsible Investment is the Engagement Clearinghouse, a forum established in 2006 to allow signatories of the UNPRI to share information about engagement activities. A disincentive investors face in respect of RI is that the costs of monitoring corporate performance and engaging with companies are borne by those who conduct engagement, whilst any benefits are shared by all shareholders. When engagement is conducted in a professional and systematic way, costs may be significant. The PRI Engagement Clearinghouse addresses this collective action problem. Collaborative engagement activities in the PRI Clearinghouse cover environmental and social risks in the global iron and steel industry, identifying leaders and laggards in the UN's Global Compact, and work on water risks facing and generated by companies.

ii) Promoting Investor Reporting of Policies, and the Impacts of those Policies

FairPensions is in dialogue with the UK's Department of Work and Pension over our proposal that large pension funds make publicly available on a website the following information:

- (a) their full Statement of Investment Principles;
- (b) how they integrate their responsible investment policy into asset manager selection;
- (c) integration of responsible investment policy into Investment Management Agreements;
- (d) details of measures taken to ensure monitoring and implementation of the RI policy;
- (e) details of engagement activities by the scheme or its fund managers;
- (f) the full voting record;
- (g) the 100 largest equity holdings; and
- (h) the RI policy in relation to non-equity asset classes.

FairPensions has also brought together a coalition of civil society organisations and investors to propose that mandatory voting disclosure for investors be introduced. The TUC, Pensions Investment Research Consulting, ActionAid, the Ecumenical Council on Corporate Responsibility, LAPFF and FairPensions are working together to ensure this forms part of the reform package coming out of the financial crisis.

PART C: Inputs (or Pathways of Change)

5. What tools or processes do we use to impact/influence our target groups?

SUMMARY

Direct engagement with senior industry leaders

Publication of RI leagues tables which rank the major players

Single-issue campaigns to trigger specific companies to change using shareholder pressure

On-line tools to allow individuals to press for Responsible Investment of their savings

Educational materials promoting Responsible Investment

Advocacy to public policy makers; build and demonstrate support for reform

DETAIL

We undertake face to face meetings with senior staff in pension funds and at asset management companies to press for implementation of effective RI strategies across all asset classes.

Research and publication of data which makes transparent the RI performance of target institutions.

'Single-issue' campaigns run in partnership with civil society globally to push institutional investors to use their shareholder influence over negligent companies to secure specific, measurable changes in corporate behaviour.

Provision and promotion of on-line tools which enable individuals a) to communicate directly with institutions investing on their behalf b) to form focused and well informed groups taking collective action in respect of institutional investors.

Creation and delivery of educational resources (mainly through our website) and educational programmes promoting RI. These target: industry insiders, particularly pension fund trustees; individuals with a pension fund or other investments (particularly special interest groups e.g. environmentalists, union members, people with an interest in business and human rights).

Advocate for regulatory proposals favouring RI and industry transparency; build broad public and political support for these proposals.

6. What resources (financial, time, skills and knowledge) do we need to employ these tools and processes effectively?

FairPensions' key resource is its staff, currently five full-time and one part-time. We are also assisted by high quality interns who undertake the detailed work behind our industry surveys.

It is critical that we have staff with a sophisticated understanding of the dynamics and culture of the institutional investment world, capable of persuasively pressing forward a case for RI, not least a business case. Other key skills required are: research, campaigning (including on-line campaigning), political influencing and advocacy, supporter development and communication, and non-profit sector coalition building.

On the current level of staffing (5.2 plus 2 full-time interns at any given point in time), we are delivering our fairly ambitious 2010 operational plan. Any additional commitments would require more staff. Areas where we currently have rather limited capacity include: supporter development and outreach; promoting on-line campaign tools; and educational work with pension trustees, civil society leaders and students.

We hope to acquire additional staff resource dedicated to communicating with and sustaining our database of individual supporters, providing them with campaign actions to undertake whilst encouraging them to support us financially.

In addition we would like to secure funding in the future for staff dedicated to our educational function: delivering training to trustees and staff of pension funds; delivering training to leaders in civil society (union members, environmental activists, people with an interest in ethical/responsible investment); and delivering education about capital markets and responsible investment to students.

7. What resources do we already have?

CEO, Director of Campaigns, Director of Investor Engagement, Public Affairs Officer, Campaigns Assistant, part-time Finance & IT officer who also acts as our Company Secretary.

In addition our 9 board members contribute relevant expertise and advice alongside their core governance function. A list of our trustees and their backgrounds is at: <http://www.fairpensions.org.uk/board>

We are ably assisted by Charles Scanlan (retired head of pensions at top City law firm Simmons and Simmons) on a voluntary basis in the preparation of submissions to relevant public consultations. This makes a significant contribution to FairPensions' public output, builds our expertise and credibility, and helps influence public policy development.

8. How can we capitalise on the resources of people outside FairPensions?

As a small organisation with an ambitious vision for change, FairPensions aims to leverage the power and resources of larger external stakeholders. In our view highly successful NGOs think of themselves primarily as stimulating and sustaining movements for change rather than focusing on building a large organisation.

Who then are our key stakeholders, and how can we align their interests with ours such that their power becomes a more valuable resource for FairPensions?

Civil Society

We aim to secure the ever more committed buy-in of powerful civil society organisations, whether formally members of FairPensions or not. NGOs, trade unions and faith communities have millions of members who care about issues over which institutional investors have influence. Whilst we have the support in principle of our various member organisations (and the benefit of their annual fees), we are not yet fully leveraging the power of these institutions to exert pressure on investors and politicians. To do so will require a) strengthening relationships with the top national leadership of key civil society institutions b) clarifying how their organisational objectives will be advanced by responsible investment c) appealing and well designed initiatives to which they can commit time and resource periodically.

FairPensions has already developed a reputation as an expert NGO who can guide far larger civil society organizations (Oxfam, Amnesty International, Greenpeace) on how to engage effectively with investors. Our strategy is to see capital market campaigning become a core tactic for a growing number of powerful NGOs with whom we will work closely.

Investment Industry Insiders

We are building a network of reform-minded individuals who either from personal conviction or commercial need support the agenda pursued by FairPensions. In addition to those who publicly or discreetly support our mission, we aim to be increasingly recognised and respected by influential leaders within the global pensions industry. This is already happening as evidence by regular invitations to speak at conferences in the UK and overseas (e.g. National Association of Pension Funds, The Corporation of London, European Summit of Funded Pension Schemes). We work hard to strike the right balance between being an agitator for change and retaining the respect of the industry. We need more than good arguments on our side. We must demonstrate broad-based civil society support, political support and influence amongst key journalists.

FairPensions spends time on understanding the commercial pressures and dynamics of the fund management industry as well as the pressures on pension trustees.

Government and Policy Makers

The financial crisis of 2008/9 has created a new appetite and expectation of regulation within financial markets. This is an important opportunity for us. We have built a cluster of external policy experts to assist in developing regulatory reform proposals and, within the UK, we have been taking our ideas to policy makers across the political spectrum. Our success in 2008 in influencing parliamentary debate on the UK's Pensions Bill shows that FairPensions can wield influence and make an impact in the 'public affairs' arena.

Individual Savers

Individual activists, supported by FairPensions' campaigning tools and materials, can have a significant impact in shifting their own pension fund to become a responsible investor. An important role for FairPensions is to empower and encourage people to hold accountable institutions that invest on their behalf. This is done via civil society groups and via on-line resources which enable people to take action.

We have already seen the impressive results of a number of persistent and committed individuals, particularly when they form networks and begin to work collectively. For example, in 2008 Kent County Council pension fund became the first Conservative authority nationally to sign the United Nations PRI following a sustained local campaign which FairPensions was able to support. Having signed the Principles, the fund is now being pushed by the same local activists to engage with companies it invests in to improve human rights and environmental impacts.

Other stakeholders

There are a number of other important stakeholder groups with whom FairPensions needs productive relationships.

Our **funders** are critically important to our ability to fulfil our ambitions. We seek to diversify our funding base, reaching out to philanthropists in the USA and continental Europe.

Journalists are essential for raising our organisational profile and the profile of RI in general.

The **academic and research community** can provide independent evaluation of RI and of our specific contribution to the field. In 2010 we are running a seminar series exploring the future of fiduciary duty with the Cass Business School. One Canadian and one US academic expert will be coming to London to speak.

Finally, we seek to build good relationships with **progressive business leaders**. An investment community which is committed to socially responsible corporate practice is in the interests of such business leaders.

9. Who else is working in the field? Are there opportunities for co-operation and partnerships? Is there likely to be competition?

There is no other organisation with the same mission as our own in the UK or abroad. There are however a wide range of organisations with overlapping interests, many operating commercially as providers of advice and information relevant to responsible investment. See attached positioning map.

The range of NGOs and civil society organisations we could work with is large and we do not at present reach all of them. To do so would require a greater level of staffing dedicated to building and sustaining relationships with non-profits.

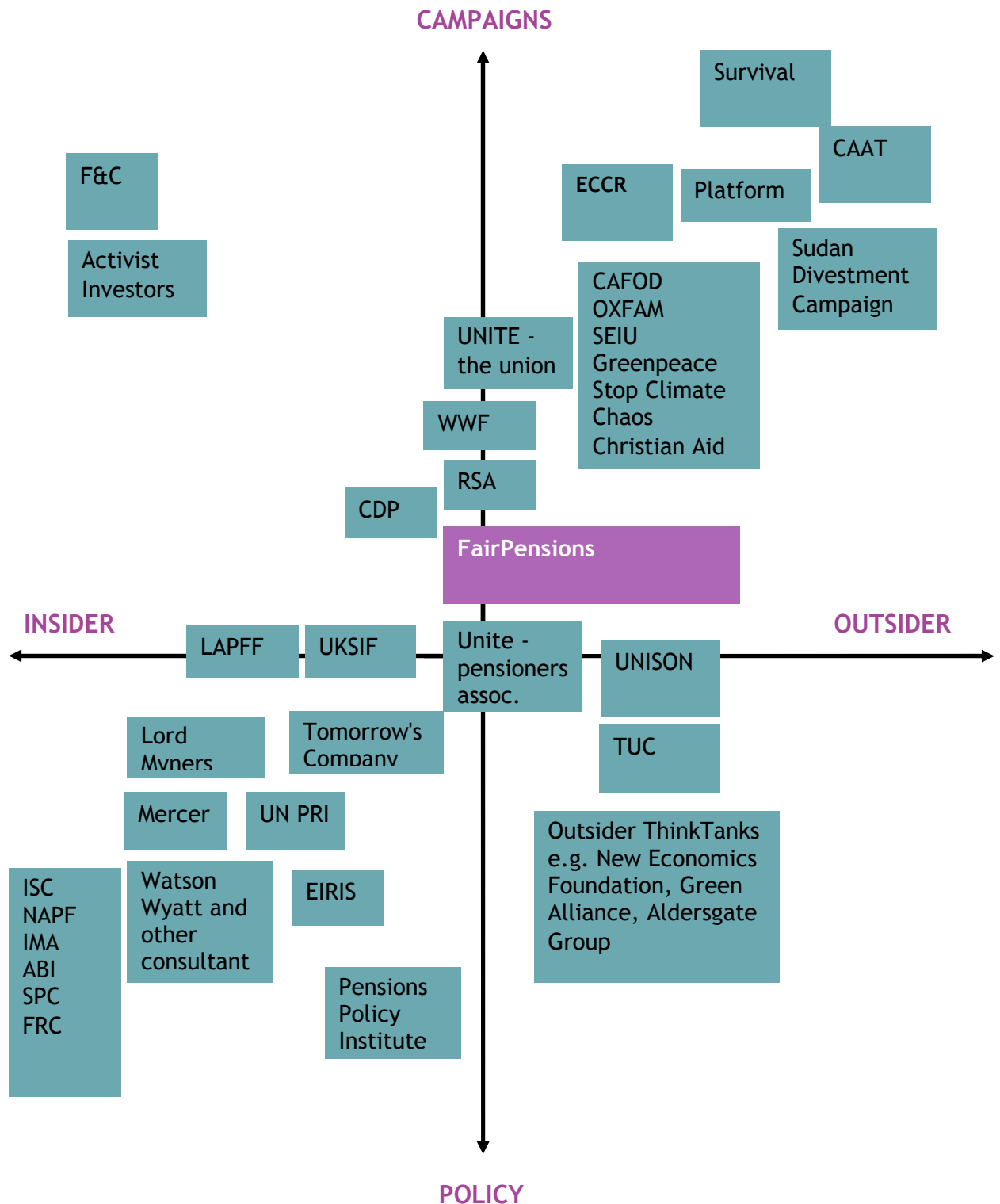
10. Can we/do we work in partnership with other people? Which skills can we borrow from others?

We work with NGOs on single issue campaigns e.g. with The Co-operatives, WWF, Greenpeace and UNISON on our tar sands campaign, and previously with Oxfam and CAFOD on pharmaceuticals and mining respectively.

In our experience well known partner organisations help give our work additional credibility. They also bring expertise on specific issues, money, access to networks, political and media contacts.

Positioning Map

This positioning map locates FairPensions on two axes: insider/outsider and campaigns/policy. In practice we see ourselves located in a central position on this axis relative to almost all other organisations in the field. Our work to influence investors to adopt robust Responsible Investment policies has a distinctly 'insider' quality - we undertake face to face meetings with institutional investors and seek to build lasting relationships with them. By contrast our single-issue campaigns, invariably run in partnership with other NGOs, see us take a more challenging line, applying pressure in addition to persuasion. In large part because of our small size, FairPensions has been able to operate flexibly and nimbly. We have been assisted by the lack of direct competitors within the NGO field.



fairpensions.org.uk

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FairPensionsTM 
The campaign for **responsible** investment