



## **PRESS RELEASE**

**17 January 2008**

### **CCLA supports the UN Global Compact in major new initiative**

A major initiative designed to boost levels of socially responsible investment around the world was launched by a group of international investors in upholding the principles of the UN Global Compact (15 January 2008).

A group of international investors, including CCLA, representing approximately US\$2.13 trillion in assets, have jointly signed a letter sent out to 103 companies that either welcomes good practices that adhere to the UN Global Compact, or challenges companies to focus on implementing the outlined principles.

The initiative has been welcomed by CCLA, which believes it demonstrates how socially responsible investment has moved from the fringes to mainstream investment policy in encouraging higher levels of responsible behaviour from companies in which it invests through ten core areas. These include human rights labour standards, the environment and anti-corruption.

The letter also emphasises how relevant the investors feel it is for a company to face environmental, social and corporate governance issues, in order to achieve longterm financial success. The investors believe the UN Global Compact has dramatically improved the debate surrounding corporate impacts with respect to environmental, social and corporate governance issues.

Amanda Young, Senior SRI Analyst at CCLA - one of the collaborating

investment institutions, said:

“CCLA is a specialist church and charity fund manager, and one of the first providers of socially responsible investment in the UK.

“This joint engagement initiative allows it to bring its moral voice to a group of investors with the same shared belief that companies should be held to account on environmental, human rights, labour standards and social matters. We believe that effective management of these issues, minimises risk to business and therefore to long term shareholder value”

Led by Morley Fund Management, the investors hope that this collaborative approach will achieve effective engagement with UN Global Compact participants.

The Global Compact requires participants to produce a Communication on Progress (COP). The COP has been set up so that the commitment and progress of all participants to the Global Compact is transparent. This leaves the participants open to be held account by stakeholders, including the investment community, if good communications are not upheld. However, this also allows for deserved praise if participants have delivered good communications.

The group (who are all signatories to the UN Principles of Responsible Investment) includes a large number of investors from around the world, including:

- BC Investment Management Corporation (bcIMC) (Canada)
- Canada Pension Plan Investment Board (Canada)
- Comité Syndical National de Retraite Bâtirente (Canada)
- Carlson Investment Management (Sweden)
- CCLA (United Kingdom)
- Crédit Agricole Asset Management (France)
- DnB NOR Asset Management (Sweden)
- Domini Social Investments (United States)
- Kommunal Landspensjonkasse – KLP (Norway)
- Mergence Africa Investments (South Africa)

- Meritas Mutual Funds (Canada)
- Morley Fund Management (United Kingdom)
- Newton Investment Management (United Kingdom)
- New Zealand Superannuation Fund (New Zealand)
- The Environment Agency Pension Fund (United Kingdom)
- The Ethical Council (Swedish pension funds AP1, AP2, AP3, AP4) (Sweden)
- Universities Superannuation Scheme (United Kingdom)
- 27Four Investment Managers (South Africa)

For more information on the UN Global Compact visit <http://www.unglobalcompact.org>

For further information on CCLA visit [www.ccla.co.uk](http://www.ccla.co.uk),  
Freephone:0800 022 3505

## **Ends**

### *Notes to Editors*

#### **How did the investors identify companies?**

The investors used the Global Compact public database to identify listed companies from around 3000 Global Compact signatories where they felt that engagement was warranted. They selected 30 'non-communicating' and 48 'inactive' companies for poor performance – as well as 25 companies that are producing particularly good reporting.

The collaborating investor group includes 20 investment organisations from 10 countries. The companies receiving the letters are in more than 30 different countries. This highlights the benefit of a global engagement initiative such as the PRI, where investors from around the world can work together to promote corporate improvement.

#### **What are the Principles for Responsible Investment?**

The PRI initiative 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 the investment process and the exercise of responsible ownership practices. The PRI is convened by the United Nations Environment Program Finance Initiative and the United Nations Global Compact. More than 275 institutional investors have signed up to the PRI representing more than US\$11 trillion in assets under management.

#### **What is the 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 over 3,600 participating companies and hundreds of other stakeholders from more than 120 countries, it is the world's largest voluntary corporate citizenship

initiative. For more information, please visit [www.unglobalcompact.org](http://www.unglobalcompact.org).

### **How is corporate adherence to the Global Compact evaluated?**

Once a company has made a commitment to the Global Compact, it is expected to make the ten principles part of its strategy, culture and daily operations. However, it is not possible for the Global Compact Office to actively monitor and assess the extent to which this takes place. As a result, the company is required to publish in its annual financial report, or similar public document, a description of the ways in which it is supporting the Global Compact. This description is known as a Communication on Progress (COP). The rationale behind the COP is to raise transparency and contribute to public accountability, by creating a repository of corporate practices that serve as a basis for continuous performance improvement.

There are many ways to structure a COP. However, use of a globally recognised reporting framework such as that developed by the Global Reporting Initiative (GRI) is encouraged by the Compact where businesses are of a scale and complexity that warrant that form of disclosure.

Failure to submit a Communication on Progress puts the company at risk of being identified as “non-communicating” or “inactive” on the Global Compact website. For further information, see [www.unglobalcompact.org](http://www.unglobalcompact.org) as well as the COP database at

[www.unglobalcompact.org/COP/cop\\_search.html](http://www.unglobalcompact.org/COP/cop_search.html)

### **CCLA**

CCLA provides the largest and widest range of common funds designed specifically for the charity market, and looks after more charity clients than any other UK investment manager. It is owned by its clients and now has over 96,000 accounts for more than 43,000 clients with c.£4.6 billion of funds under management. CCLA was one of the first providers of Socially Responsible Investment (SRI) services to charities. Their award winning team currently provides SRI and corporate governance services to the Funds managed by CCLA in addition to SRI services to a further £5bn.

CCLA is based in the City of London, and can trace its history back almost fifty years. It is owned by and dedicated to serving the not-for-profit sector and manages the first common fund created for the charity market in 1958. CCLA is an independent investment management company which was created to manage the investments of church, charity and local authority clients. CCLA is authorised and regulated by the Financial Services Authority.

CCLA's origins go back over 40 years to a partnership between the Church of England, the Charity Commission and Local Authority Associations. Formerly known as Church, Charity and Local Authority Fund Managers Limited, the company changed its name to CCLA Investment Management Limited in 1994 and has a unique ownership structure.

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