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RI Reporting Awards 2015

showcasing excellence in responsible investment and ESG reporting

RESULTS

The **RI Reporting Awards 2015** were presented at the eighth annual **RI Europe** conference in London on Tuesday 2nd June.



RI Reporting Awards 2015

Introduction **The RI Reporting Awards** - now in their third year - showcase excellence in responsible investment and ESG reporting, encouraging best practice and transparency by recognising the highest standards in the disclosure of responsible investment activities by asset owners globally. Public disclosure, accountability and transparency enhance the credibility of responsible investment, leading to higher standards. Using publicly available information, our judging faculty (following pages) looks for reporting best practice in terms of simplicity, relevance, disclosure and process.

There are two categories for Best RI Report 2015 – one for Large Funds with AUM greater than €25bn and the other for Medium & Small Funds with AUM less than €25bn.

The RI Reporting Awards are based on proprietary research of more than 1,000 funds around the world to create a pool of RI reports to which a series of objective indicators are applied to filter the reports into two shortlists of nominated reports. Download the objective indicators at –

www.responsible-investor.com/images/uploads/reports/RI_Awards_Criteria_2014.pdf

The RI Reporting Awards are organised by **Responsible Investor** in association with our research partner the **Responsible Finance Research Charity**.

Overview:

- Research 1,000+ funds to create a pool of RI reports
- Split the pool into two categories of *Large* and *Medium & Small* funds
- Apply objective indicators to filter the reports into two long lists of nominated reports. You can download a copy of the objective indicators here www.responsible-investor.com/images/uploads/reports/RI_Awards_Criteria_2014.pdf
- The Judging Panel (below) then ranks the nominated reports
- The rankings are aggregated to create two short lists of commended reports
- The two awards for Best RI Report 2015 are announced at RI Europe in London on Wednesday 2nd June
- Link to further information about RI Europe 2015 at www.responsible-investor.com/europe2015

Research: (January To March)

The research is supervised by Agnes Neher, PhD candidate, University of Hohenheim and Vice President, ReFine Research Charity with guidance from Dr. Andreas G. F. Hoepner, Associate Professor of Finance, ICMA Centre, Henley Business School; Senior Academic Fellow, United Nations backed Principles for Responsible Investment; and President, ReFine Research Charity. Hugh Wheelan, Managing Editor, Responsible Investor, also provides oversight and guidance to the entire research process. Using public sources we search the web sites of more than 1,000 funds globally to ascertain whether they publish an annual report or related reporting on responsible investment activities.



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Ranking & Judging: (April)

The content of these reports is then analysed and filtered according to our objective indicators to create two long lists of funds, which are nominated for consideration by our judging panel. Each of the judges is then given a copy of all the nominated reports. The judges are asked to rank each category (Large and Medium & Small), including a short comment on each report. The judges then pass their rankings back to the research team who aggregate the scores to create a short list of three commended reports in each category.

The Judges (A-Z):

- **Lody Geerst** *Senior Policy Advisor*, **ABP** (winner 2014), Netherlands
- **Tessa Hebb**, *Director*, **Carleton Centre for Community Innovation**, Canada
- **Dawn Turner**, *Head of Pension Fund Management*, **Environment Agency Pension Fund**, UK (judging large funds only)
- **Melanie Brooks**, *Senior Analyst – Responsible Investment*, **Folketrygdfondet** (winner 2014), Norway
- **Dr. Andreas G. F. Hoepner**, *Associate Professor of Finance, ICMA Centre*, **Henley Business School**; *Senior Academic Fellow*, **United Nations backed Principles for Responsible Investment** (UK)
- **Pierin Menzli**, *Head Sustainable Investment Research*, **Bank J. Safra Sarasin**
- **Professor Lee Parker**, *Professor in Accounting in the School of Accounting at RMIT University*, Australia
- **Lorenzo Saa**, *Associate Director, Signatory Services*, **PRI**, UK
- **Steve Lydenberg**, *Partner*, **Domini Social Investments**, USA
- **Hugh Wheelan**, *Managing Editor*, **Responsible Investor**, UK

Researcher:

Agnes Neher, PhD candidate, **University of Hohenheim** and Vice President, **ReFine Research Charity**

About Responsible Investor:

Launched June 2007, Responsible Investor (RI) is the only dedicated news service reporting on responsible investment, ESG (environmental, social and governance) and sustainable finance for institutional investors globally. Responsible Investor also organizes a series of highly successful conferences focusing on how investors integrate RI and ESG factors into their investment analysis and decision-making processes: RI Asia, RI Europe and RI Americas, see www.responsible-investor.com/

About Refine Research:

Responsible Finance Research (ReFineResearch) is a charitable institution which supports and leverages academic and industry research in the area of responsible investment. The charity aims to achieve deeper knowledge of responsible investing through innovative thinking, greater transparency and advanced research methods. Anybody with similar interests is welcome to join the charity.



RI Reporting Awards 2015

Best RI Report – Large Funds - **Nominated:**

AP2,	Sweden
AP4	Sweden
CalPERS	USA
CDC	France
CPPIB	Canada
Future Fund	Australia
KLP	Norway
Swiss Re	Switzerland

Best RI Report – Medium & Small Funds - **Nominated:**

CBUS	Australia
Environment Agency Pension Fund	UK
General Board of Pension and Health Benefits UMC	USA
HESTA	Australia
New Zealand Superannuation Fund	New Zealand
OPTrust	Canada
Swedfund International	Sweden
West Midlands Pension Fund	UK

You can download PDFs for all the Nominated reports via
https://www.responsible-investor.com/events/events_page/ri_awards_2015/

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Winner:

Best RI Report – Large Funds

Caisse des Dépôts, France



Judges' Comments

- Clear articulation of stakeholder relations and strategic partnerships.
- Best (verified) data quality and most detailed information of all reports.
- Statements and summaries of performance statistics very effective.
- Excellent presentation of key social and environmental strategic initiatives over time.
- Strong performance outcomes focus.
- Advanced ESG methodology; a lot of collaborative sector work.
- Very detailed descriptives (e.g. ESG integration per asset class).
- Transparent about own board diversity.
- Smart ESG targets.

*All the awards were presented by: Pierin Menzli, Head Sustainable Investment Research, Bank J. Safra Sarasin
Helena Charrier, Responsible Investment Project Director, Caisse des Dépôts*

All photos: Benjamin Moore Photography

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Commended:

Best RI Report – Large Funds



AP4, Sweden

Judges' Comments

- Provides an excellent description of both the rationale for RI and how it is implemented at the fund, aimed at general public.
- Very comprehensive articulation of social, environmental and governance strategies.
- A report that had some excellent global segmentations and considerations which clearly informed their strategy and leadership.
- Provides data on RI activities at the fund and year over year improvements.
- Top-down strategic commitment clearly visible.

Pia Axelsson, Manager Corporate Governance & Information, AP4



CalPERS, USA

Judges' Comments

- Gives a lot of insight in the way ESG is integrated in day-to-day business (e.g. through the Cross Asset Class team).
- E&S agenda nicely integrated into discussion of overall operational and financial strategies.
- Solid report that linked investment beliefs, managing risk, and ESG considerations into a cohesive approach.
- An inspirational report with strong graphics evidencing and supporting their journey and achievements and visions for the future.
- Detailed illustration of the position of CalPERS in relation to stakeholders and other institutional investors.
- Explicit and detailed examples of engagements and expectations for the behaviour of external managers.

(centre) Henry Jones, Vice President, Chair Investment Committee, CalPERS

(right) James Andrus, Portfolio Manager - Financial Markets Investment Office - Global Governance

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Winner:

Best RI Report – Medium & Small Funds

Swedfund International, Sweden



Judges' Comments

- Excellent contextualisation of social and environmental issues surrounding the organisation.
- For a small fund this one punches above its weight in ESG integration.
- High quality societal strategy and impact disclosures.
- Extensive and relevant case studies of responsible investments in the portfolio.
- The report's strengths lie in its clear definitions of what impacts it views as constituting success and how they can be measured (jobs created, taxes paid, investee company growth) and then reports aggregated and investment-specific numbers.
- Transparent description of ESG beliefs and how they are implemented in day-to-day business (and how they are related to the mission statement and ownership policies and guidelines).
- Extensive explanation of the strategic sustainability goals (impact on society, sustainability, financial viability, anti-corruption) and how these goals are measured
- Makes particularly strong use of case studies, a number of which deal with failures and lessons learned, as well as with successes.
- The report is comprehensive and informative.

(centre) Anna Ryott, Managing Director, Swedfund International

(right) Karin Askelöf, Investment Manager, Swedfund International

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Commended:

Best RI Report – Medium & Small Funds



Environment Agency Pension Fund, UK

Judges' Comments

- Explicit targets for getting a more sustainable investment portfolio.
- RI and ESG well integrated into this annual report, from the Chair's opening letter to the RI section, to the appendix - well done.
- Excellent training log book of board members; strategic commitment to have 25% of total assets invested along sustainable / responsible criteria by 2015; strong advances in real estate.
- Reporting the carbon and environmental footprint for the investment portfolio and comparing them to the benchmarks.

Faith Ward, Chief Responsible Investment and Risk Officer, Environment Agency Pension Fund



General Board of Pension and Health Benefits UMC, USA

Judges' Comments

- It shows that RI does not erode fund value, and stands firmly behind the decisions the fund has taken. This fund integrates its faith-based approach to Responsible Investment and demonstrates those values through its report.
- Commendable articulation of social and environmental philosophies and principles well integrated with explanations of organisational strategies.
- Case studies on a variety of in-depth ESG topics like water preservation, disaster relief, conflict minerals.
- Comprehensive examples of ESG engagements with portfolio companies.
- The report is easy to read and comprehend.

Kirsty Jenkinson, Managing Director, Sustainable Investment Strategies, Wespath