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In brief

A REPORT ON SUFFERING AT WORK

The commission on suffering at work, co-chaired by Jean-François Copé and Pierre Méhaignerie, published its "30 proposals to work better" on 16 December 2009. Among them:

- Give the CHSCT (hygiene, security and working conditions committees) a strategic role.
- Create a «health and quality of working life» label
- Distribute widely the "toolbox" to actors throughout the world.

The report:
www.lasouffranceautravail.fr

Figure of the month

10%
 of executives have had suicidal thoughts because of their work in the last 12 months, according to the CFE-CGC barometer

Editorial

BRINGING EFFORTS TO PROMOTE SRI PRODUCTS TO THE ATTENTION OF THE PUBLIC

In France, we have had a highly advanced legislative and regulatory framework for the development of socially responsible investment (SRI) since the NRE law was passed in 2001. Moreover, we have a powerful, esteemed asset management sector in which the majority of actors are committed to the promotion of SRI. Finally, the progression in SRI Assets under Management has continued strongly in the last few years. Despite all this, the share of Assets under Management held by individuals is decreasing. Indeed, although the SRI market evolved significantly in 2008, with a strong increase in Assets under Management (+37% in one year, according to Novethic), accompanied by diversification of the SRI offer, the percentage of Assets under Management held by individuals has declined over the years, from 31% to 25%. Yet any opinion poll will show that there are very strong public expectations for meaningful financial investments.

This contrasting evolution, at a time when the financial and economic crisis has raised questions about the role of responsible finance, led the ORSE "Finance Club", to conduct a survey of good practices developed by financial establishments in France and abroad to promote SRI with their clients more successfully.

The survey supports the aims of the French public authorities, as expressed in Article 53 of the 3 August 2009 implementation law for the Grenelle Environment process, which provides that: «Socially responsible investment shall be encouraged by promotional mechanisms and information campaigns». It led to the publication of a practical guide presenting a large range of ideas, techniques and levers for action.

The guide presents a survey of practices for promoting SRI (strictly defined).



Daniel Lebègue, president of ORSE

It does not, therefore, cover aspects relating to the social economy (solidarity funds, micro-finance, micro-insurance, etc.). It is a concrete document based on examples and good practices observed in France by members of ORSE and AFG (the French Asset Management Association), and abroad, thanks to aid from the Forum pour l'Investissement Responsable (FIR or French SIF). It sets out the main questions that financial sector professionals should be asking (banks, fund managers, insurance companies) when developing and marketing an SRI product. As a practical guide, it is mainly aimed at raising awareness amongst the varying actors in the SRI chain.

SRI is a concrete means for financial actors to display their CSR commitment and can be used as a lever to increase the confidence of their clients and public opinion in general, especially now that the financial and economic crisis has badly affected such confidence. Clearly, we need to increase our communication and marketing efforts for SRI products aimed at the general public. One could imagine that all of the financial actors present on the stock exchange and their professional organizations, including issuers, and supported by the public authorities, concentrate their efforts, as they do in some other countries, in order to organize regular public awareness and promotion campaigns on the subject.

Daniel Lebègue
 President

Protecting the climate and creating sustainable jobs

interview

In Copenhagen, the European Trade Union Confederation (ETUC) argued against separating environmental and social issues and for ensuring a just social transition to a low carbon society.

Interview with its Vice-president, Joël Decaillon...

► In October ETUC adopted a resolution on “Climate chaos, the new industrial policies and ways out of the crisis”.

Can CO₂ emission reduction policies re-launch the European economy?



Joël Decaillon, vice-president of ETUC

This resolution follows a study of a range of industrial sectors that we presented in London on 5 October 2009, in cooperation with our federations.

Our study shows that steel and energy production is going to double globally in the coming 20 years. World growth is thus going to remain extremely strong, to the extent that demographic growth (we are going on a population of 9 billion) and the needs of humanity are considerable.

This growth requires real technological mutation if we want to attain our CO₂ emission reduction targets.

Our specific study of the construction and transportation sectors confirms that opportunities for job creation do effectively exist, but that there are also zones where job numbers may be reduced.

Therefore we cannot present climate change only in terms of job opportunities and we need to begin by developing provisional employment management to manage the transitions.

► You develop the concept of “just transition”. What does that mean specifically?

We adopted this concept within the framework of the International Trade Union Confederation: the idea is that environmental feasibility is only possible if account is taken of social feasibility.

Given the extent of the challenge we are facing, a major mutation is also necessary in jobs and training, not only for green jobs, but for all industrial and service related employment in Europe, if we want to obtain a real reduction in CO₂ emissions. In the debate on industrial mutation, the introduction of true traceability of carbon is a key element, because there is a real risk of speculation on the carbon market. That is why we argue for the creation of a European agency that would be in charge of implementing carbon traceability.

Furthermore, we insist on the establishment of European technological platforms bringing together SME-SMIs and major industries, but also inter-industrial sectors, because it is clear that CO₂ reduction techniques can be applied to several sectors at once.

Finally, ensuring a just social transition also requires real social negotiations at all levels with appropriate instruments and financing, as well as new forms of training to assist in job transformation.

► Are green jobs always synonymous with good working conditions?

First, employers in the green economy are bosses like any others: that is, they are there to earn money.

Second, in traditional sectors such as building, where energy efficiency can create a lot of jobs, we know that corruption is generalized, entailing precarious or illegal jobs.

feature

During the Copenhagen Conference, the International Trade Union Confederation (which represents 175 million workers throughout the world) took action by publishing a study: “Trade Unions and climate change: equity, justice and solidarity in the fight against climate change”, and by setting up a website dedicated to climate change: <http://climate.ituc-csi.org>

in brief

→ Anonymous CVs are not very widespread in Europe

Although it is creating debate in France, where an experiment began last November in seven administrative areas (“départements”), the use of anonymous CVs is not widespread in Europe, according to a comparative study of seven

countries by the French Senate.

In Great Britain, a draft amendment, tabled in Summer 2009, has been withdrawn by the government until it obtains the results of «testing».

In The Netherlands, Sweden

and Switzerland, experiences with anonymous CVs have been carried out locally, but their results have not been considered sufficiently conclusive for the legislation to be modified.

In Germany and Spain, the issue is not receiving any

attention in particular. In Belgium, since early 2005, anonymous CVs are used in the federal government, but it is not an obligation for employers in the private sector.

The report (in French): www.senat.fr/lc/lc203/lc203.pdf

The promotion of SRI by financial establishments: good practices in France and abroad

focus

in brief

ORSE and AFG have produced a guide collating good practices for the promotion of SRI by financial establishments in France and abroad. The guide aims principally to raise awareness among the varying actors in the SRI chain.

We present a brief summary here...

Mobilizing investors

Solutions proposed:

- Offer investment instruments responding to the personalized management needs of different categories of actors (long term investors, historic SRI actors and NGOs).
- Facilitate comparison between offers: fund managers have developed dedicated tools. There are also tools distributed by specialized actors such as Novethic or Altedia IC.
- Develop transparent, regular sources of information on the SRI universe and offers.

The market for individual investors: a paradox to be overcome

Ways of provoking adhesion?

- Develop an offer strategy in phase with client expectations: from the offer (SRI monetary and bond funds, thematic funds, SRI life insurance and other life-retirement products)
- Develop transparency: several initiatives aim to improve legibility at the European level, such as the Eurosif transparency code and the AFG/FIR transparency code in France and, more recently, the Novethic SRI label.
- Inform and explain: arguments aiming to demonstrate that SRI really provides added value, communication strategies aiming to inform subscribers regularly on the performance of the fund in which they have invested.
- Client advising: the obligation to advise appears to be one of the main levers for restoring client confidence with regard to financial establishments following the financial and economic crisis.

SRI employee compensation: a specific approach

The importance of SRI employee compensation is confirmed regularly (+31% in 2008 – funds under management: 3.3 billion Euro).

Solutions proposed:

- Increase the confidence of employees through the Inter-union Committee on employee compensation label (DHR, financial directors, personal representative bodies, professional networks, trade union networks, professional federations)
- Lead by example: provide the employees of financial establishments with the same products as those proposed to their clients.

Mobilizing financial establishment actors?

Solutions proposed:

- Participate actively in studies by existing bodies: ORSE, AFG, FIR, Paris Europlace, the French Association of institutional investors (AF2i), Novethic... The work done by these bodies can be “taken up” by financial establishments with a view to internal communication and awareness raising.
- Contribute to the work of international bodies: PRI, UNEP-FI, Eurosif...
- Rely on independent external expertise (many asset managers have set up orientation committees).

Promoting commitments at all levels of the organization

Solutions proposed:

- Put management on the front line: SRI has to be supported by the board of parent companies and must not be the sole responsibility of fund management companies or specialised managers.
- Facilitate synergy between SRI analysts and managers: by strengthening exchanges between teams of fund managers, or even by gathering them in a single body, making the methods and tools developed by SRI managers available to financial analysts.
- Upgrade the commercial teams of distribution networks: by making them aware of and training them in the aims of SRI, its management principles, advantages and performance levels; by providing actors with sales assistance materials and clear, pedagogical marketing documents; by allowing salesmen to participate in results without contravening their obligation to provide neutral advice to the client, whose needs and expectations are the priority.
- Participate in the development of SRI training of future economic, management and finance professionals.

→ TOY WORKERS: THE WEAK LINK IN THE CHAIN

80% of all toys sold around the world are manufactured in China!

The investigation report, in French, on “Toy Workers: the weak link in the chain”, published in December 2009 by “C'est pas du jeu !” (It's not a game), a campaign for decent working conditions in the toy industry, regrouping several NGOs, in two factories manufacturing toys in South China, Tianyu Toys and Wai Shing, allows a better understanding of the real conditions for Chinese workers in this sector of activity.

As regards the 3 to 5 million workers in Chinese toy factories, mostly women from 15 to 30 years old, the list of violations of their rights is long: salaries below the legal minimum, long working hours, lack of employment contracts, etc.

The report claims that, although multinational buyers such as Disney may well have codes of conduct for their subcontractors and conduct thousands of audits, these measures still remain basically ineffective.

Indeed, “Unless there is a profound revision of their supply and purchasing practices, based on the so-called ‘just-in-time’ technique, pushing prices downward as much as possible, codes of conduct will remain purely rhetorical declarations».

The report:

www.peoples-interdependent.org/peupsodocs/CPDJ_report_toys.pdf

What is the position of companies in the struggle against climate change?

current event

Companies were very present in Copenhagen, where they organized inter alia, a «Business Day». Despite voluntary initiatives such as “Caring for Climate”, however, studies show that they are not yet sufficiently mobilized in the fight against global warming...

In a paper published on his blog, Georg Kell, Executive Director of the Global Compact noted that: “According to a 2008 study by the Ethical Investment Research Service, only 10% of companies in high impact sectors like oil and gas have adopted a good or advanced response to climate change risk.” Moreover, the Carbon Disclosure Project (CDP), publishes a report every year on the integration of climate change in the strategies of 500 major global companies.

According to the 2009 report, the annual reduction of emissions by the 208 European companies in the sample appeared too weak for these companies to reach the EU objective of an absolute reduction in emissions (1% to 1.8% per year on average from now until 2020).

How do you explain this apparent lack of commitment? Claude Fussler, Director of the UN program “Caring for Climate”, which brings together 360 companies from 65 countries to combat global warming, provides part of the response:

As long as companies do not know the objectives that governments are going to fix for themselves and others, they hesitate over expensive technological choices.

Another part of the response is provided by Jean-Pierre Clamadieu, President of Rhodia and President of the MEDEF sustainable development commission, concerning the infamous “carbon leakage”:

We need strict rules that limit the distortion of competition. Without that, we are in danger of losing on two fronts: on the one hand, economic activity will move to un-sheltered regions to avoid limits required in France and other European countries, and on the other hand, CO2 emissions will subsist.

But once the regulatory framework and targets are set, there will still be one last problem: the GHG emissions perimeter.

Indeed, as EIRIS points out, for most companies, the main impact lies in their products,

but only 22% recognize it publicly!

This is demonstrated in the new Vigeo/WWF study on Business and climate change, based on the chain of production and the entire product life cycle, which estimates both direct and indirect emissions for ten sectors of activity among the highest CO2 producers: the most exemplary case being that of the banking sector whose direct emissions (buildings, automobile fleet...) do not even represent 1% of its global footprint.

The main effect lies in its indirect emissions, i.e. in financing carbonaceous projects such as coal-fired generators, or simply in individual car or home loans...

our members



The French national federation for commercial aviation (Fédération Nationale de l'Aviation Marchande - FNAM) is the main professional organization for the aviation sector. It regroups more than 370 companies: airline companies, airport services companies, airports, flight training schools...

The FNAM represents more than 85,000 wage earners in the sector, out of 120,000 in total, including State-run services.

In January 2008, the profession and the French Government signed an “agreement on commitments made by the air transport sector in the context of the Grenelle Environment Summit”. Following this event, the FNAM launched a global sustainable development process in January 2009, baptized “Observatair” (www.observatair.fr).

The profession has thus elaborated and promoted a charter of improved environmental performance for commercial airline companies, to serve as a guide to good practices concerning CO2 compensation.

Every year in June, a barometer is published with 12 indicators allowing measurement of progress in the environmental action of the signatories.

The profession is continuing its commitment in favour of sustainable development by launching a “corporate social responsibility” process. Identified as one of the challenges for the draft Grenelle II law, this issue takes on even more importance in periods of crisis. Thus, the FNAM is developing the Observatair process to include a social Barometer, based on the same principles of transparency, middle term commitments and the association of its members, just as for its environmental aspect.

ORSE

EVENTS

Diary

→ **1st European Biennale of Sustainable and Responsible Finance, at the Corum in Montpellier from 8 to 10 April 2010**

An initiative by the independent wealth management firm, Février/CGPI, the Biennale aims to raise awareness among professionals and the general public of the need to develop and finance the economy ethically.

The conferences and round tables, organized in collaboration with Robin EDME, President of FrenchSIF, will provide information on SRI, solidarity finance and microfinance.

The Biennale has also requested the expertise of Novethic, ORSE and Ethifinance.