

Background
Facts relevant to this project

Background to the Survey

In early 2001, we published a survey of the attitudes of UK-based fund managers to socially responsible investment. We were interested to see how the rising profile of environmental, social and ethical issues for business was impacting on investors. In addition, we wanted to assess how changes to the Pensions and Investments Act, which required trustees of occupational schemes to disclose how they take into account social, environmental and ethical issues in investment decision-making, has affected the uptake of SRI amongst the fund managers.

Problem/ Opportunity
Describes motivation for this project

Since then there have been a number of events and trends which have served to increase interest in environmental, social and ethical issues - what is increasingly termed "corporate social responsibility" or CSR. These have included the launch of the FTSE4Good set of indices, the development of the Association of British Insurers guidance on SRI-related disclosures for listed companies and publication of the Myners Report advocating, amongst other things, greater shareholder activism.

We are now publishing our second survey with the intention of charting how SRI-related activity has changed over the last twelve months, and to investigate in more detail some of the motivations, drivers and barriers related to the growth of this sector of the investment market into the future.

The survey was conducted by telephone in February and March of 2002 and involved a universe of the UK offices of approximately 100 investment businesses. The interviews were generally conducted with Chief Investment Officers, Business Development or Marketing Directors and SRI or Corporate Governance specialists. Interviews typically lasted between 15 and 30 minutes.

We obtained responses from 65 organisations, spanning fund managers with a broad spectrum of views on SRI, from those with a very negative perspective on its value and longevity, to those which have made a significant investment in research, methodology and marketing. In a small number of cases, we were referred to overseas offices to secure the responses.

We believe the results of the survey will be valuable to fund managers, CSR and Investor Relations professionals within FTSE companies, and other interested parties.

The document is structured as follows:

- **Section 1: Survey Participation** - looking at the number and type of organisation responding to the survey
- **Section 2: Client Interest in SRI** - assessing views of fund managers on the level of interest in SRI exhibited by clients
- **Section 3: Factors Driving Growth in SRI** - looking at the the drivers for, and barriers to, the uptake of SRI by fund managers
- **Section 4: SRI and Investment Performance** - examining whether fund managers believe there is a business case for companies to adopt CSR?
- **Section 5: How Fund Managers Adopt SRI** - what are the approaches and structures that fund managers are using?
- **Section 6: How is SRI Resourced?** - how do fund managers build and use SRI knowledge and expertise?

Method
Includes *means* of data collection

Objectives
Issues or questions addressed specifically in this project