



Press Release

Exclusive Survey

70% of institutional investors believe they are responsible for the ESG strategies of the companies in which they invest

Paris - December 5th, 2008. In collaboration with BNP Paribas Investment Partners, today Novethic releases the results of its survey "Institutional investors' perspective on their responsibility for corporate ESG policies". Carried out on a sample audience of major French and UK investors, the survey reveals a strong sentiment of responsibility, but with varying degrees when it comes to tackling core issues. Although the French prioritise social issues and the English emphasise governance, both play down the environment as a major concern.

The survey, conducted between September and October 2008, questioned the executives of nearly thirty institutions in France (insurance and mutual insurance companies, pension and contingency funds and foundations) and twenty-five of the UK's one hundred largest pension funds. **First overriding conclusion? Over 70% of investors surveyed in the two countries share the same notion of responsibility when it comes to corporate ESG policies.** The belief that this responsibility is fundamental to the long-term management of a company is held by 79% of UK investors, but only by 40% of French investors.

Behind this same impetus, the survey highlights local differences: social factors are the number one priority for 48% of institutional investors in France, while governance carries it for 79% of UK investors.

Surprisingly little importance placed on the environment

To the question "Rank in order of importance environmental issues for those companies in which you invest," climate change came in first for 38% of the survey's audience in France and the UK alike, followed by energy efficiency for 38% of French and 21% for UK investors. That said, these results should be put into perspective since **less than 25% of those surveyed in both countries perceive the environment as a priority that requires their involvement.**

Investors have yet to grasp the role that they can play, often because of lack of knowledge and understanding of just how closely ecological issues are tied to company policy. Eco-friendly products, for example, is only a priority for 24% of French participants and 16% for UK respondents - despite the direct impact it can have on business competitiveness, manufacturing costs and therefore on their valuation, as is currently evident in the automobile sector.

Regarding social issues, child labour worries both French and UK investors. However, even though the French stress the respect of human rights (67%), it is not always the case in real life. In fact, only 29% are concerned about working conditions at subcontractor sites, i.e. 10 points less than companies in the UK.

When it comes to **governance, the most important criterion** for investors is by far executive oversight (67% and 69% of French and UK investors, respectively) - This might be a result of the current economic crisis!

Different opinions as to what actions to take

French and UK investors try to influence ESG corporate strategies via different means. The French prefer the use of questionnaires (32%), and only 8% are interested in joining collaborative initiatives to coordinate their actions in this respect. In the UK, however, close to 50% of investors are in favour of such an approach.

The survey was based on a telephone questionnaire created and managed by Novethic in France, and in the United Kingdom by the non-financial rating agency, EIRIS. It covered a representative sample of executives from the United Kingdom and France.

To read the survey results: http://www.novethic.com/novethic/v3_uk/upload/ESG_Study.pdf

About Novethic

A subsidiary of Caisse des Dépôts, Novethic is a leading center for research, information and expertise on Socially Responsible Investment (SRI) and Corporate Social Responsibility (CSR). Visit www.novethic.com or www.novethic.fr

About BNP Paribas Investment Partners

BNP Paribas Investment Partners is a benchmark European player that has very quickly established itself as a leader in sustainable and responsible investment. The entity's dedicated team offers institutional clients independent advice on the challenges and priorities of non-financial analysis as well as a wide range of responsible investment vehicles.

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