



Principles for Responsible Investment

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USS Ltd

- Occupational pension fund of UK Universities
 - ~ £28 billion in assets
 - 250,000+ individual members
 - ~400 institutional members
 - Second largest UK private pension fund
 - public equities / properties / bonds / alternatives

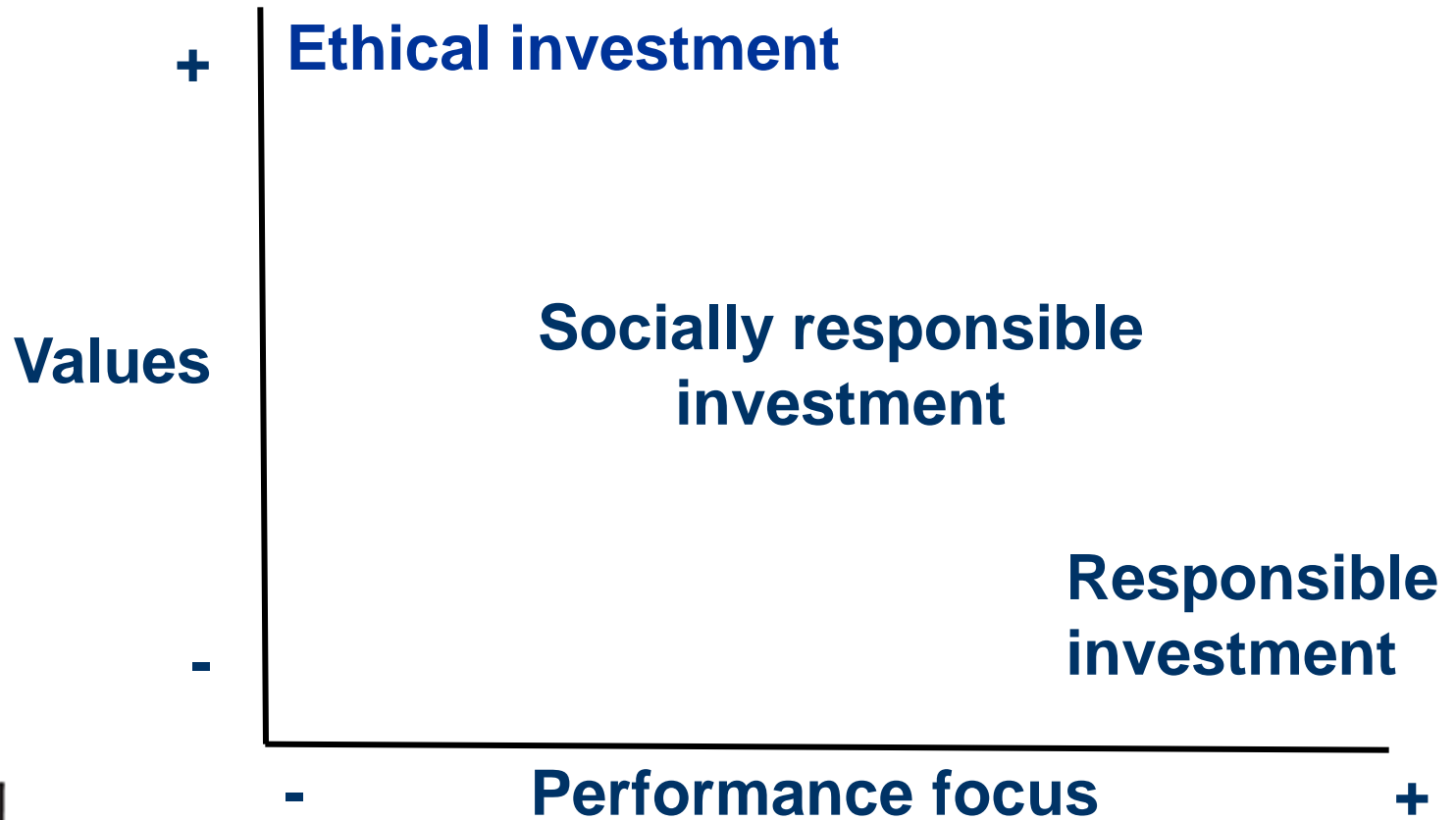


Active owners

RI policy – all holdings/all markets



What is Responsible Investment?





Why are pension funds interested in these issues?

- To pay pensions!
 - Long term liabilities and LT time frames
- But the market has a short term focus and ignores many issues
- Long term issues impact the long term value of the assets in which we invest
- Reputations!





The Principles for Responsible Investment

- A toolkit for integrating ESG issues into investment processes/across asset classes
- Grounded in fiduciary duty
- Voluntary and aspirational
- A global collaborative investor network
- A forum for discussion and concrete action on long-term risk issues/value drivers
- Practical guidance / support for signatories







The Six Principles

1. **incorporate** ESG issues into investment analysis and decision-making processes.
2. be **active owners** & incorporate ESG issues into ownership policies & practices.
3. seek appropriate **disclosure**.
4. **promote** acceptance & implementation ... within the investment industry.
5. **work together** to enhance effectiveness
6. **report** on activities and progress.





Commitments of Signatories

- Reporting and Assessment process
- Voluntary contribution
- Starting in 2011...
 - mandatory reporting
 - mandatory fees, scaled depending on fund size, is also under consultation



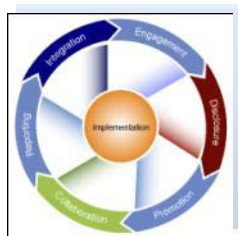
Implementation support



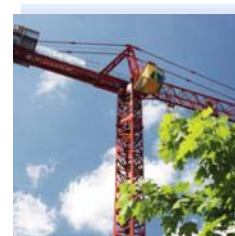
Engagement
Clearinghouse



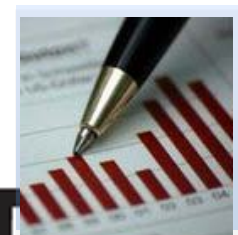
Private equity work
stream



PRI in Practice



Property work stream



Reporting and
Assessment survey

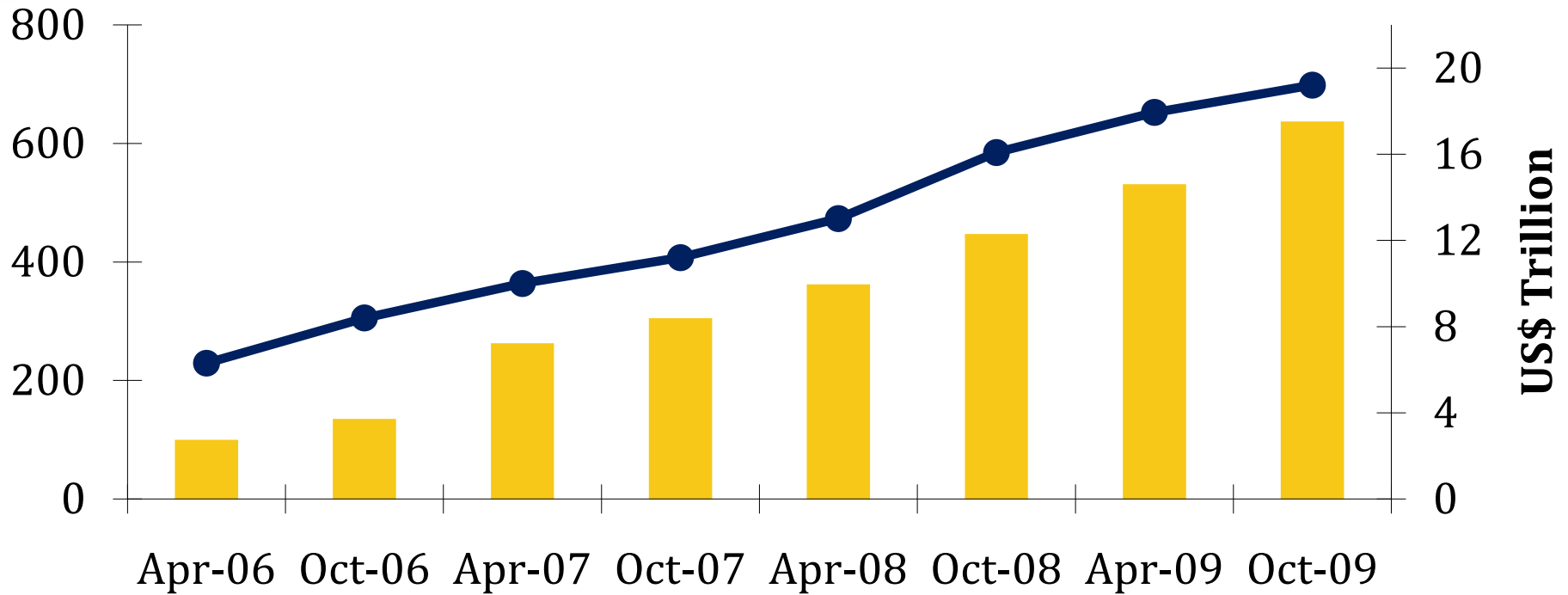


Enhanced Research
Portal





700 signatories, US\$ 20 trillion AUM



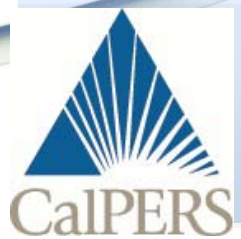
Number of signatories

AUM





Signatories include:



CalPERS, USA



VicSuper, Australia



BT Pension Scheme, UK



National Pension Service, Korea



PGGM, NL



Mitsubishi UFJ, Japan



National Pensions Reserve Fund



Why USS is a PRI Signatory?

- Purely selfish!
 - based in London
 - assets globally
 - multiple asset classes
 - limited resources
- PRI provides global reach
- Strong membership signals market





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THANK YOU

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