



DECEMBER 2002

## ASrIA, Association for Sustainable & Responsible Investment in Asia First Year in Review

**Sustainable and Responsible Investment (“SRI”)** is an investment strategy that enables investors to integrate financial, social and ecological objectives together.

*“Sustainable and responsible investment is a state of mind”  
Prida Tiasuwan, ASrIA Annual Conference, Tokyo, October 2002*

[www.asria.org](http://www.asria.org)



## Letter from the Executive Chair

ASrIA has been a microcosm of what SRI is about. It reflects the positive energy generated by the idea of SRI. Our Founding Sponsors gave us a great start and we have benefited from the tremendous synergy created when an enthusiastic group of people chose to work cooperatively towards the same goal. And we've needed this to cope with the torrent of interest that ASrIA has triggered. A day does not pass without some new contact wanting support and advice about SRI and CSR in Asia

All that you read about in these pages has been achieved with just 2 full time staff and 3 part time directors, our volunteers and partners. Not bad going, as anyone involved in start-ups will know. And a stark reminder of what the power of motivation can achieve. Nobody has forced us, nevertheless we have stretched the limits of hours spent in front of screens, responding to requests and delivering on follow up. I have never worked in any situation with such high levels of productivity. The lesson for 2003 is to pace ourselves, to work even more effectively with our members and to build capacity for SRI.

In recent weeks, two very senior figures in Asian business have independently made the same observation. They have noted that 'SRI is a state of mind', one which acknowledges the importance of social harmony for economic progress and the reality of the global environmental crisis. Having gained this state of mind, business activity can be viewed in a clear new light, giving a better picture of risks and opportunities and real needs in the modern world.

Helping investors make this shift in perception is our mission which we will continue to vigorously pursue in 2003. It remains a great honour to be Chair of ASrIA and to work with such a talented team. I wish all our supporters every success in the coming year.

Best Regards,

Tessa Tennant

## Executive Director's Report

It is sometimes difficult to remember that ASrIA was established as recently as 2001. The core ASrIA team and the broader ASrIA network of exceptional volunteers, researchers and advisors have dedicated their time, thought and effort to ensuring ASrIA has made an impact straight off the starting blocks. The rapid evolution of our membership base is the best endorsement there is to validate our work. Our thanks go to all of our members for joining us at an early stage. Your support and your input has formed the backbone of all that ASrIA has achieved and the organisation could not have come so far without you.



ASrIA's notable achievements to date include:

- **93 members** including 26 investment funds, 6 research houses, 20 professional service organisations, 4 corporates and 37 associate members
- **9 events** around the region, plus participation in many other events around the world
- **6 educational research reports** highlighting the opportunities and challenges for SRI in Asia
- **An expanding website** in English, Chinese and Japanese - 1,300+ hits per day, 4,500+ ebulletin subscribers
- **Growing media coverage** of SRI and related issues in Asia

In 2003 we aim to continue to expand the membership base and nurture the development of an Asian SRI community. Our awareness raising work will be ongoing and we hope our activities will reach even further into local communities. We wish to empower individual investors and increase understanding of SRI at the retail level. Plus we will continue to ensure Asia remains on the global SRI map too.

Whenever we can, we will continue to encourage policy makers and regulators as to the benefits of SRI and increased corporate disclosure. And we will try to develop more SRI expertise in the region through developing frameworks for SRI funds in Asia and rolling out a training module on SRI for financial experts. Plus we hope to do some exploratory work into the developmental impact of social investment in Asia's less developed markets.

I hope you will agree once you have looked through this review of 2002, that if ASrIA can continue to achieve only part of what it has achieved in 2002, 2003 will be another positive year for the future of SRI in Asia.

Best Regards,

Louisa Mitchell

## ASrIA Events

ASrIA's meetings fulfill a dual purpose. They provide an educational facility and a networking opportunity. They help us to nurture the developing SRI communities on the ground in Asia by bringing individuals together so that they get to know each other and team up with like-minded professionals, gaining motivation and support. ASrIA varies the format of its meetings to cater to different situations. We hold large-scale international conferences, smaller-scale seminars, workshops, informal briefings and forums. In order to continue providing education on SRI-related issues and to foster the development of SRI communities in Asia, ASrIA meetings will be an ongoing part of our work.

| Date               | Location & Activity  | Event/Topic  |
|--------------------|----------------------|--|
| 31 Oct - 3 Nov '01 | Hong Kong Conference | SRI in Asia<br><i>Innaugural Annual International Conference</i>   |
| 8 April '02        | Singapore Seminar    | Singapore Values – Value for Singapore<br><i>Sponsored by Henderson Global Investors</i>                             |
| 11 April           | Hong Kong Briefing   | SRI Investment Strategy<br><i>Kirsteen Morrison of Henderson Global Investors</i>                                    |
| 9 May              | Taiwan Workshop      | SRI: The New Influence in Global Markets and The Opportunity for Taiwan<br><i>Organised jointly with BCSD Taiwan</i> |
| 10 June            | Hong Kong Briefing   | Corporate Social Responsibility<br><i>Robert Davies of the International Business Leaders Forum</i>                  |
| 15 July            | Hong Kong Briefing   | Introduction to the Global Reporting Initiative<br><i>The GRI Secretariat: Dr. Allen White, Sean Gilbert</i>         |
| 3 Oct              | Hong Kong Briefing   | Update on SRI Around the World<br><i>Tessa Tennant</i>   |
| 26-30 Oct          | Tokyo Conference     | SRI for Asian Corporates & Pensions and SRI<br><i>Second Annual International Conference</i>                         |
| 3 Dec              | Hong Kong Workshop   | Sustainability in Private Equity<br><i>Sponsored by GE Equity</i>  |

*"I believe the conference was a resounding success not only in its content and organisation, but also in the diversity of participants and the variety of topics covered." Richard Yin, CEO, Kingsway Fund Management, Hong Kong*

*"SRI is one of the most remarkable inventions in the history of mankind, like the radio and other inventions that have changed society. This conference has made a tremendous impact on Japanese business society." Minoru Inaoka, Managing Director, Ito-Yokado Co. Ltd, Japan*

*"With the massive shift in production and services to Asia, this is the right time for this event and for ASrIA"*  
*Harjit Bhatia, GE Equity, Hong Kong*

*"I want to again congratulate you on a superb conference. It is clear there is much "heavy lifting" yet to do in Asia. You have made a marvellous start from virtually nothing in terms of SRI structure in Asia."*  
*Barbara Krumsiek, CEO Calvert, USA*

- As well as holding ASrIA's own events, members of the ASrIA team have made 30+ presentations at formal conferences and events, putting SRI on the map in Asia and Asia on the map in the global SRI community
- Members of the ASrIA team have also conducted multiple 1x1 awareness raising meetings with financial groups, business groups/associations, charities, NGOs, environmental groups, church groups, education groups and others

Our research is opportunities and issues based. It aims to highlight the opportunities for SRI in Asia and to debate some of the issues related to developing SRI in the region. Research on the market opportunity for SRI funds in Greater China was the first attempt to assess the retail market in this part of the world. We hope to expand on this in much more detail in the future.

Our report on Pensions and SRI in Asia that was launched in conjunction with our 2002 annual conference was our first publication on the looming social security crisis in the region and the relevance and scope for SRI as Asia's pension systems develop in the coming years. Plus it addresses how SRI funds can encourage companies to ensure adequate pension provision for their employees. We intend to be an ongoing voice on the dynamic between pensions and SRI as part of our core programme work.

Similarly, our reports on labour standards and environmental management systems in China are a first and we hope to continue to comment on these issues going forward. As a significant proportion of the world's manufacturing base moves to China and other parts of Asia, we hope to encourage best practice through investment and to document change.



### **THE OPPORTUNITY FOR SRI FUNDS IN GREATER CHINA**

A preliminary analysis of the characteristics of the Hong Kong, Taiwan and mainland China market that indicate the significant potential for SRI funds. SRI investors are different to the average day-trader. They represent a new type of investor and a new pool of funds to be tapped...every financial institution should be interested in finding out about this new market and why the public wants SRI.



### **LABOUR STANDARDS IN CHINA, THE BUSINESS AND INVESTMENT CHALLENGE**

The first comprehensive overview of the issues and complexities involved in assessing labour standards when making investments in China. This informative report takes a pragmatic view of the real issues on the ground in China - issues such as the loopholes in local labour laws, the difficulties in enforcing third party verification and the influence of the All-China Confederation of Free Trade Unions. This report is **CRITICAL READING** prior to assessing Chinese companies on workplace conditions.



### **GM FOODS: WILL THEIR FATE BE DECIDED IN ASIA?**

An analysis of public concerns and the response of the agri-food industry in Asia to the continuing GM debate. GM is increasingly becoming a major trade issue... find out what companies are thinking, who is in front and who is behind.



### **SRI AND PENSIONS IN ASIA**

A detailed look at the current status of pension funds around the Asia region. Includes some recommendations as to how SRI might help to address the pension fund dilemma slated as the next social crisis for Asia. The relevance of SRI as an investment strategy for pension funds is also considered. Pension funds have been major drivers of SRI in other parts of the world. Find out why and use this report to stay ahead of the curve in Asia.

### **SRI FOR TAIWAN**

An educational piece for Taiwan in partnership with BCSD-Taiwan and Chung Yuan Christian University. It includes an overview and analysis of SRI to educate the financial and professional communities in Taiwan, as well as some analysis on the potential for SRI in Taiwan. Use this report to stay on top of the Taiwan opportunity and the current thinking in the Taiwan market place.

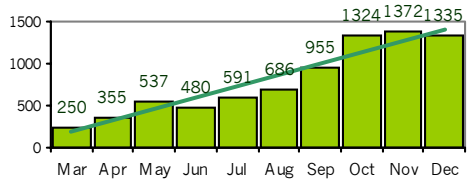
### **ENVIRONMENTAL LEGISLATION AND MANAGEMENT SYSTEMS IN CHINA**

A glance at what current legislation means for businesses implementing environmental management systems at the practical level. Plus some commentary on the effectiveness of current systems. A first look at the Green Olympics...can it turn Beijing into a 'pollution free' city? A must read for those struggling to understand what's happening in practice within the legislative framework.

## ASrIA Website in 2002

The website has been a focal point for ASrIA's work in 2002 and will continue to be so. It is the most efficient way to disseminate information globally about SRI in Asia and to support groups in the region. The core information on SRI is now available on the site in Chinese and Japanese language. This is a critical development because there is very little information available on SRI or CSR in Asian languages. In 2003 we aim to encourage and increase the flow of information on the site in Asian languages, including fund information, news and debate. We want to encourage more debate and participation on the site as a whole, through the forum and news flow for example.

Average Page Views Per Day



Over 4,500 ebulletin subscribers

Japanese and Chinese language

Publications page

Events page -  
write-ups and presentations

SRI Funds in Asia and  
Asian SRI Funds

Asian SRI Research Coverage



[www.asria.org](http://www.asria.org)

Members directory

Jobs exchange

Event calendar

Search engine

Discussion forum

Quick polls

Members Portal

## Media Activity

ASrIA has helped to increase coverage of SRI related issues in the media and will continue to do so as part of our communications strategy in 2003. In 2002, ASrIA team members have either written, contributed to or stimulated articles in the following publications:

Asahi Shimbun  
Asia Asset Management  
Asset Management Japan  
AWSJ  
Benchmark  
Bloomberg  
British Chamber in Hong Kong  
Business Times  
CFO Asia  
CNBC  
CNN  
Dow Jones Newswires  
Economy21

Ethical Investor  
Environmental Finance  
FinanceAsia.com  
Financial Times  
Global Proxy Watch  
Hoken Mainichi Shimbun  
Hong Kong Productivity Centre  
Hong Kong Securities  
International Herald Tribune  
Morningstar  
New Straits Times  
NHK Broadcasting  
Nihon Kogyo Shimbun

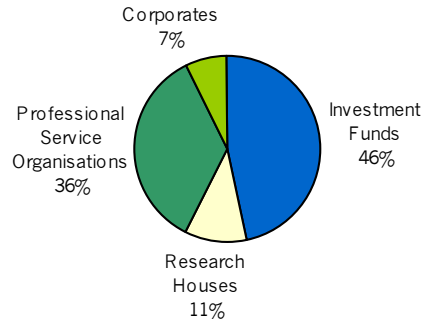
Nikkei Ecology Online  
Nikkei Kinyu Shimbun  
Reuters  
South China Morning Post  
Straits Times  
Sunday Post  
The Asset  
The Green Money Journal  
The Japan Times  
Tomorrow  
Toushi Shintaku Jijyo  
Universal Design  
Weekly Insurance

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ISIS Asset Management plc.  
Jupiter Asset Management Limited  
Kingsway Fund Management Ltd.  
Lloyd George Management  
Maven International  
Morley Fund Management  
Morningstar Asia Limited  
MTR Corporation Limited  
Nexus Asia Investment Management Pte Ltd  
Nikko Asset Management Group  
PricewaterhouseCoopers  
SAM Research AG  
Sanctuary Resorts  
Schroders  
Socia Center  
So-Tech Consulting, Inc.  
Standard Life Investments  
Stock at Stake NV  
Sun Hung Kai Financial Management Limited  
Sustainable Investment Research Institute Pty Limited (SIRIS)  
Sustainable Investor Limited  
Towry Law (Asia) Hong Kong Limited  
T. Rowe Price  
UBS Global AM

**Founding members  
are highlighted in blue**

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'Corporate Voting Members' are investment and other financial institutions, corporates and professional organisations which pay an annual membership fee, enjoy full membership benefits and voting rights.

For more information on ASrIA membership, please contact Sweeta on [sweeta@asria.org](mailto:sweeta@asria.org) or +852 2891 9298.

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## Associate Members

ACCA  
Asian Institute of Management  
BCSD of Taiwan, ROC  
Business Environment Council  
Business Coalition on the Environment  
Business for Social Responsibility  
Centre for Australian Ethical Research  
Centre for Public Resources Development  
Centre for Environmental Management  
Centre for Social Markets  
Citizens Party  
Civic Exchange  
Community Business  
Corporate Environmental Governance Programme  
EPA Victoria  
Ethibel  
Forest Trends  
Friends of the Earth HK  
Global Standards  
Greenpeace Australia Pacific  
Greenpeace China  
Hitotsubashi University  
Hong Kong Council of Social Services  
Hong Kong Productivity Council  
Hong Kong Sustainable Development Forum  
Instituto Lex Terrae, Peru  
International Business Leaders Forum  
The Nautilus Institute  
Kenan Institute Asia  
Oxfam Hong Kong  
Regional Institute of Environmental Technology  
Royal Institute of International Affairs  
SEC Malaysia  
Socially Responsible Investing Movement (Korea)  
UNEP Finance Initiatives  
Verite: Verification in Trade and Ethics  
World Vision Australia

Associate members are not-for-profits such as Academic Institutions, Policy and Regulatory Bodies, NGO's and other community organisations which help to inform ASrIA's agenda and the development of SRI in Asia. They do not pay a membership fee and do not have voting rights.

For more information on ASrIA membership, please contact Sweeta on [sweeta@asria.org](mailto:sweeta@asria.org) or +852 2891 9298.



## Founding Sponsors and Core Funders

Calvert Group  
Co-operative Insurance Society  
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Goldman Sachs (Asia) LLC  
Henderson Global Investors  
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Kingsway Fund Management  
KLD Research & Analytics, Inc  
LESS Limited  
Morley Fund Management  
The Network for Social Change  
Prudential Plc  
The Ruben and Elisabeth Rausing Trust  
Trillium Asset Management  
Women's Division of the General Board of Global Ministries of The United Methodist Church  
Zurich Financial Services Australia Ltd

## What is ASrIA

ASrIA, the Association for Sustainable and Responsible Investment in Asia, is a not-for-profit membership association dedicated to promoting and developing SRI in Asia. ASrIA's mission is to assist the financial community to understand and integrate sustainable investment criteria into investment decisions, and to empower investors by increasing the choice of SRI products available in Asia. At the end of 2002, ASrIA had more than ninety members including investment institutions managing approximately US\$2 trillion in assets. In order to raise awareness about SRI, ASrIA has run conferences, seminars and workshops, and published wide-ranging research on SRI issues. ASrIA has also created a network of people and organisations committed to developing SRI in Asia. ASrIA's website, [www.asria.org](http://www.asria.org), is the primary resource for SRI in Asia, already attracting over 1,300 page views per day and 4,500 subscribers to the regular e-bulletin.

***“ASrIA continues to be the most compelling, interesting and informed voice today on the future of SRI in Asia.”***  
**Cinnamon Dornsife,**  
**Forest Trends**

## ASrIA Board

Tessa Tennant (Chair)

Sweeta Motwani (Executive Director)

David St. Maur Sheil (Executive Director)

Christine Loh, Civic Exchange, Hong Kong (Non-Executive)

Robert Rosen, SRI Consultant, Australia (Non-Executive)

Robert Sherriff, Item Industries, Hong Kong (Non-Executive)

David Webb, [webb-site.com](http://webb-site.com), Hong Kong (Non-Executive)

## ASrIA Core Team

Executive Chair

Tessa Tennant

Executive Director

Louisa Mitchell

Administrative Director

Sweeta Motwani

Founding Director

David St. Maur Sheil

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