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DENISE L. NAPPIER

NEWS

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United Nations Secretary-General Launches “Principles for Responsible Investment” Backed by World’s Largest Investors

***Connecticut Pension Fund Among International Funds Worth \$2 Trillion
Announcing Endorsement At New York Stock Exchange***

New York – In a historic development for global financial markets, United Nations Secretary-General Kofi Annan was today joined by a group of the world’s largest and most powerful institutional investors, including Connecticut State Treasurer Denise L. Nappier, at the signing of the *Principles for Responsible Investment*.

The heads of leading institutions from 16 countries, representing more than \$2 trillion in assets owned, officially signed the Principles at a special launch event at the New York Stock Exchange. The Principles were developed during a nearly year-long process convened by the UN Secretary-General and facilitated by the UN Environment Programme Finance Initiative and the UN Global Compact. The Connecticut Treasurer’s Office, which administers the \$23 billion Connecticut Retirement Plans and Trust Funds, was among the lead participants.



“These Principles grew out of the understanding that while finance fuels the global economy, investment decision-making does not sufficiently reflect environmental, social and corporate governance considerations – or put another way, the tenets of sustainable development,” the

Secretary-General told a group of investment and diplomatic leaders gathered at the New York Stock Exchange.

In joining with institutional investors to develop the Principles, the United Nations collaborated with some of the world’s most influential institutions – many of which are public pension funds – involved in investment activities worldwide. It is estimated that pension funds alone – public and private – account for up to 35 percent of total global investment.

More than 20 pension funds, foundations and special government funds, backed by a group of 70 experts from around the world, held meetings in Paris, New York, Toronto, London, and Boston over an eight-month period to craft the ground-breaking Principles. The six overarching Principles are underpinned by a set of 35 possible actions that

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institutional investors can pursue to bring environmental, social and governance considerations into their investment activities.

“The ideas encapsulated in the Principles are not new to Connecticut’s pension fund,” said Connecticut State Treasurer Denise L. Nappier. “We view corporate governance, including traditional governance issues like board independence and sustainability factors like climate change risk, as imperative to the long-term value and success of our investments.”

The Principles, which are voluntary, identify a range of steps investors can take to integrate environmental, social and governance issues in several areas, including investment decision-making, active ownership, transparency, collaboration and gaining wider support for these practices from the whole financial-services industry.

“We are proud to endorse the Principles, which recognize that social and environmental issues can be material to the financial outlook of a company and therefore to the value of our shares in that company,” said Treasurer Nappier. “Financial markets tend to focus too heavily on short-term results at the expense of long-term and non-traditional financial fitness factors that could affect a company’s bottom line. For many institutional investors it is the long-term that matters and in this context environmental, social and governance issues take on new meaning.”

"We manage assets for future generations and acknowledge the link between long-term return and the governance of companies, markets and economies," said Knut N. Kjaer, Executive Director for the management of the Norwegian Government Pension Fund, with assets of more than USD 250 billion. "We engaged in developing these Principles to help broaden the understanding of what drives long-term fund performance. Investors must collaborate to support well-regulated markets and sustainable development," Kjaer said.

Secretary-General Annan added: “Developed by leading institutional investors, the Principles provide a framework to achieve better long-term investment returns and more sustainable markets, while aligning the objectives of institutional investors and those of society at large. I encourage institutional investors and their financial partners everywhere to adopt these Principles.”

A copy of the Principles for Responsible Investing are available at the Connecticut Treasury website, www.state.ct.us/ott

Additional resources from event, including high resolution photographs, video coverage, additional quotes from investor signatories will be available from <http://www.unpri.org/>.

For more information regarding the UN Global Compact, please contact:
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