

Portfolio 21: managing investment portfolios in accordance with ILO criteria

On 30 September 2004, Stock at Stake and Dexia Insurance officially launched a new product named Portfolio21. This new product is the first of its kind and can be seen as a milestone in the field of sustainable investment.

Portfolio 21 integrates non-financial criteria in the management of investment portfolios. A set of screening, evaluation and engagement procedures ensure that the portfolio management is in line with sustainable investment criteria.

Specific criteria are used for the screening of share and bond issuers (e.g., companies or countries). The criteria are based on the core conventions of the International Labour Organisation (ILO). These core conventions deal with the right to organise workers through trade unions, the right to pursue collective bargaining, the banning of forced and child labour and the banning of discrimination.

If the issuers included in the portfolio do not comply with the criteria, they are placed on a watch list. Stock at Stake then engages in a dialogue with the issuers and they are encouraged to improve their practices with regard to workers' rights. If the results remain unsatisfactory, the issuer is removed from the portfolios that take part in Portfolio 21.

There are currently 10 portfolios that adhere to the procedures of Portfolio 21 (i.e., screening, monitoring, engagement and client consultation and participation). The shares and bonds contained in the different participating portfolios are screened annually and an update report is sent to each client.

For further information, please visit www.portfolio21.info