

Forum on Pensions and Social Security

Pan Pacific Orchard Hotel, Singapore

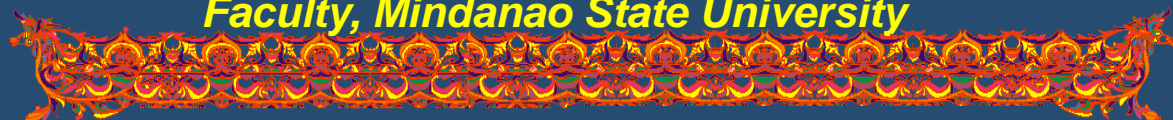
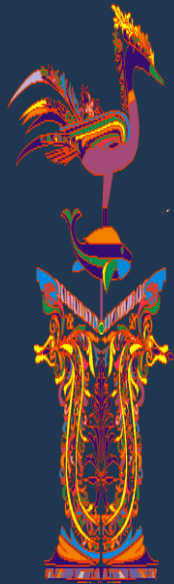
December 14-15, 2013

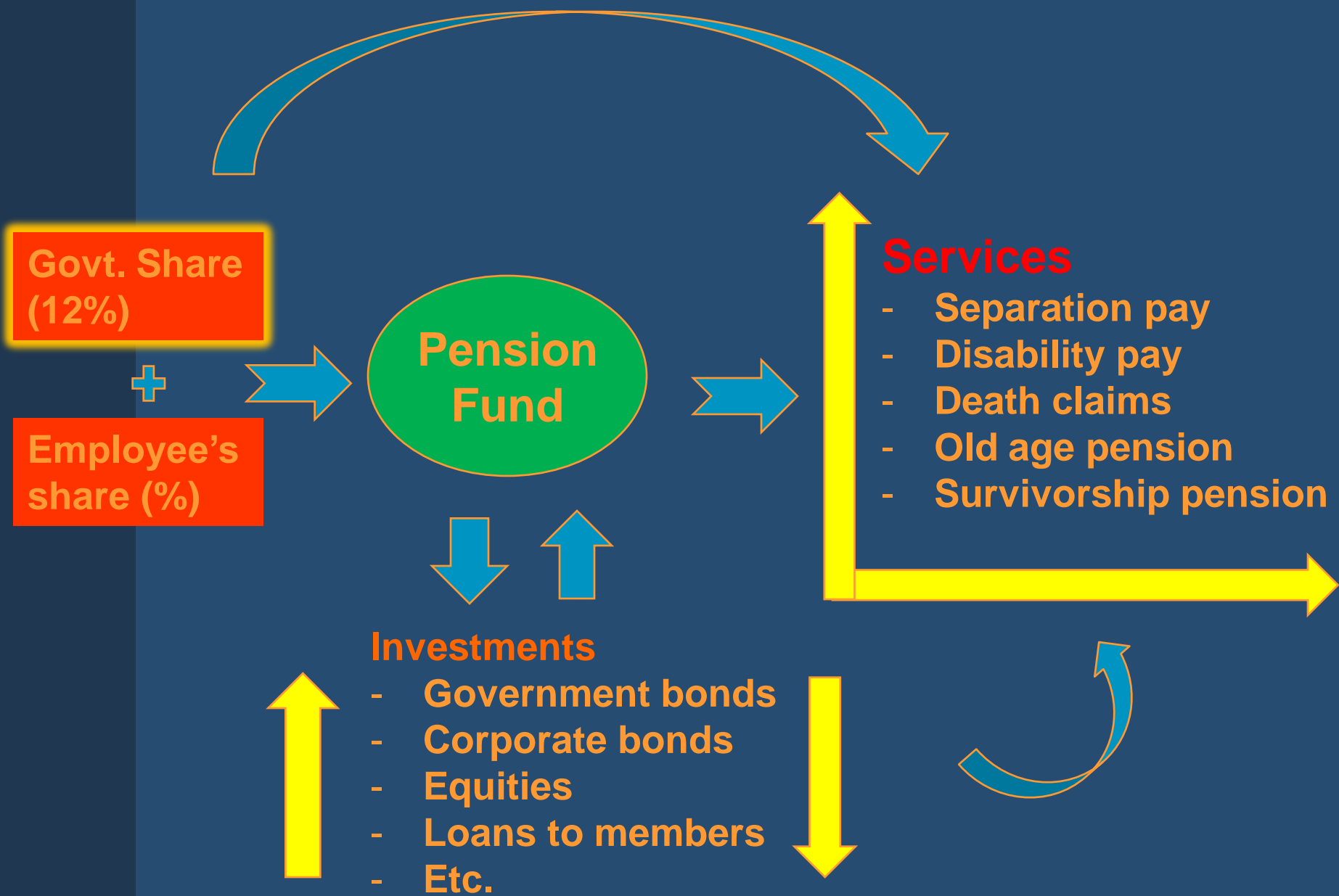
“Ensuring Ethical Investment and Addressing IFIs Influences”

Dr. Mario “Mayong” J. Aguja

Trustee, Govt. Service Insurance System (GSIS), Philippines

Faculty, Mindanao State University





Socially Responsible Investing

- ▶ Socially responsible investing (SRI), also known as sustainable, socially conscious, "green" or ethical investing, is any investment strategy which seeks to consider both financial return and social good.
- ▶ In general, socially responsible investors encourage corporate practices that promote environmental stewardship,
- ▶ consumer protection, human rights, and diversity.

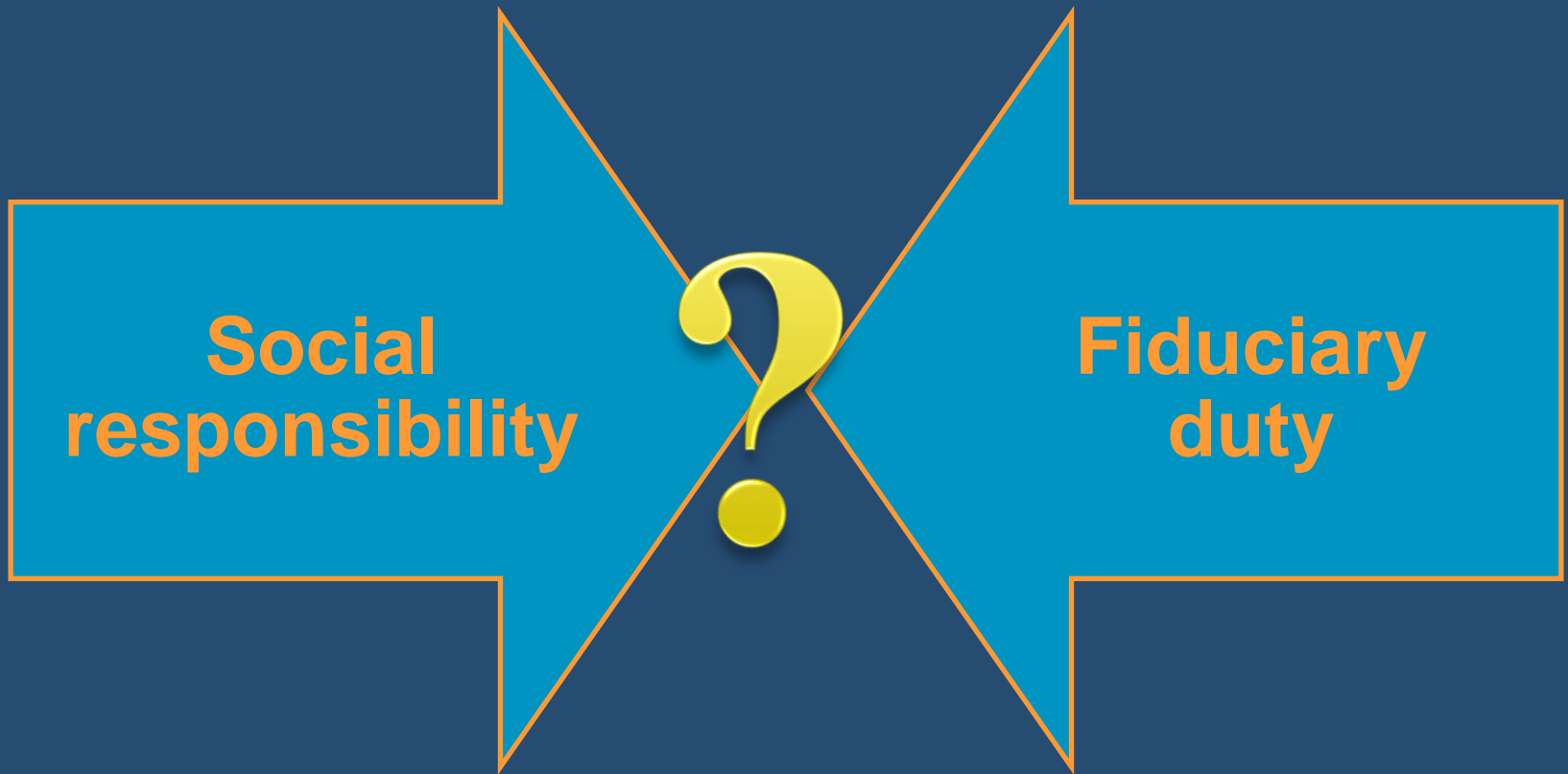
Socially Responsible Investing

- ▶ Some avoid businesses involved in alcohol, tobacco, gambling, pornography, weapons, and/or the military.
- ▶ The areas of concern recognized by the SRI industry can be summarized as environment, social justice, and corporate governance—as in environmental social governance (ESG) issues.

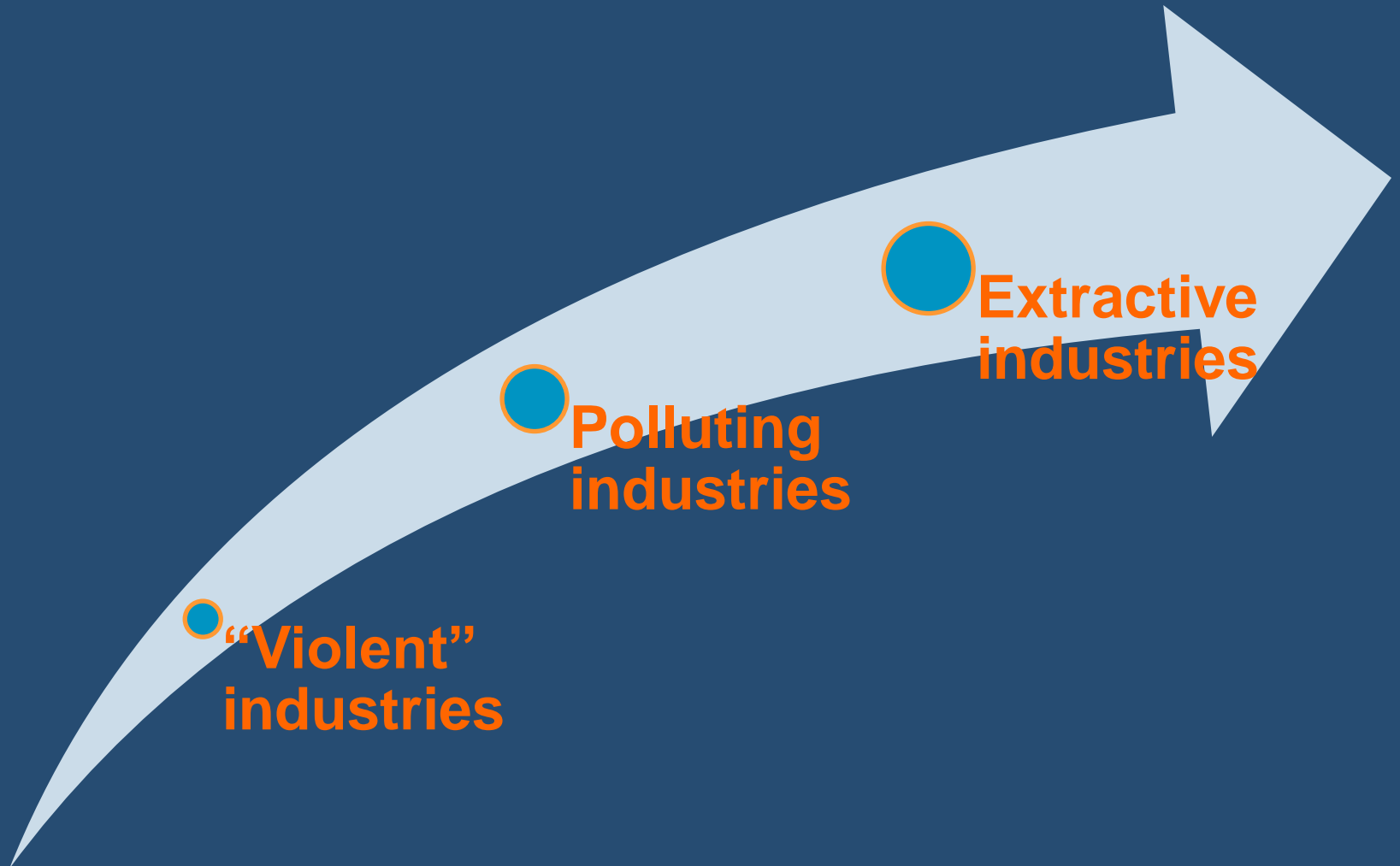
Investment dilemma



“to do good while performing well”



High yielding investments



GSIS Investment Policy

Sec. 36, RA 8291

“...That investment shall satisfy the requirements of **liquidity**, **safety/security** and **yield** in order to ensure the actuarial solvency of the funds of GSIS...”

MEMBERSHIP COVERAGE

245,157 – Old
Age
Pensioners

113,883 –
Survivorship
Pensioners

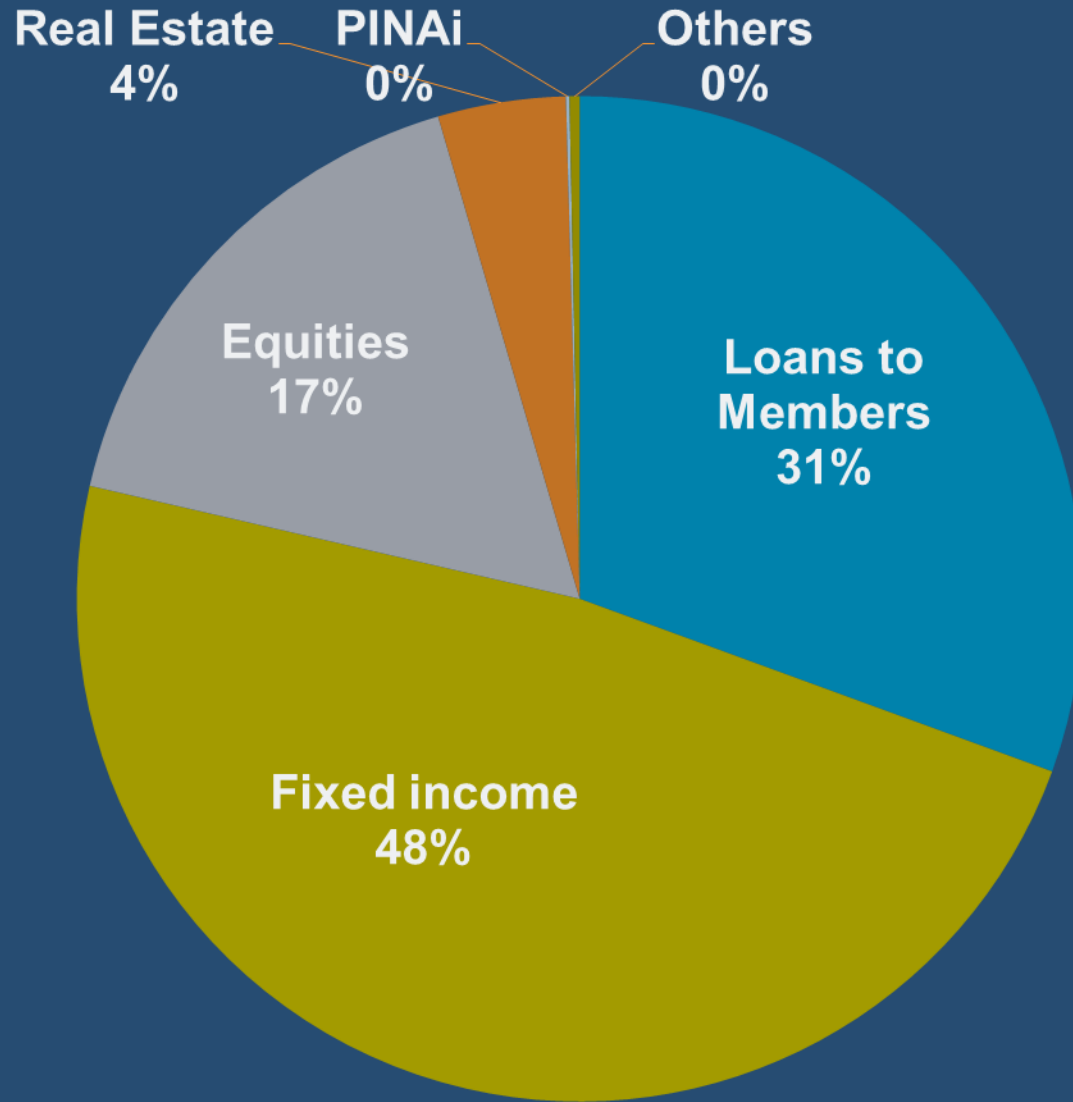
1,649,330 –
Active
Members

Total: 2,008,370

data as of June 2013



Loans and Investments Portfolio (as of Sept. 2013)

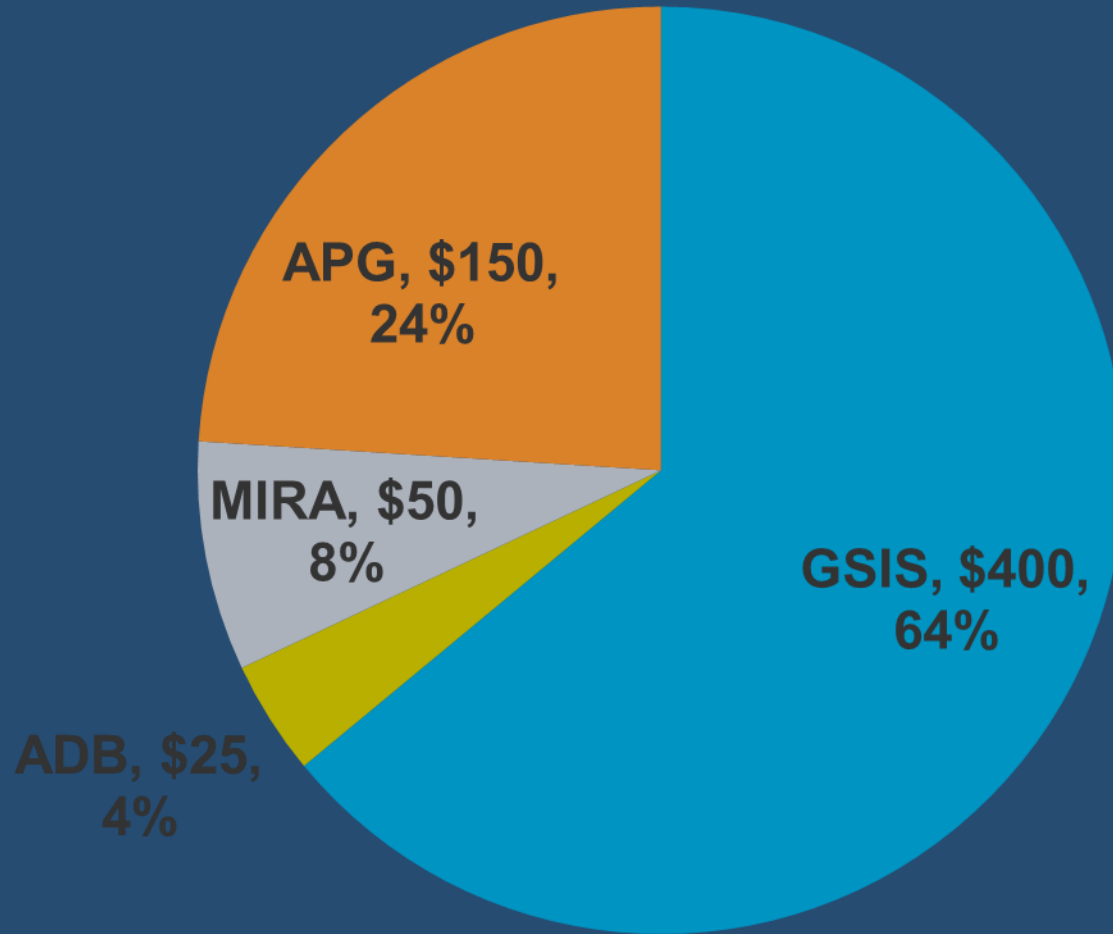


The Phil. Investment Alliance for Infrastructure or PINAI Fund

- ▶ A private equity fund for infrastructure development in the Philippines
- ▶ Its an investment alliance between ADB, GSIS, Algemeen Pensionen Groep (APG) of The Netherlands and Macquarie Group
- ▶ Macquarie Infrastructure and Real Assets (MIRA), a global infrastructure asset manager, will serve as the investment manager

Equity Contribution

(PINAI Fund = \$625 million)



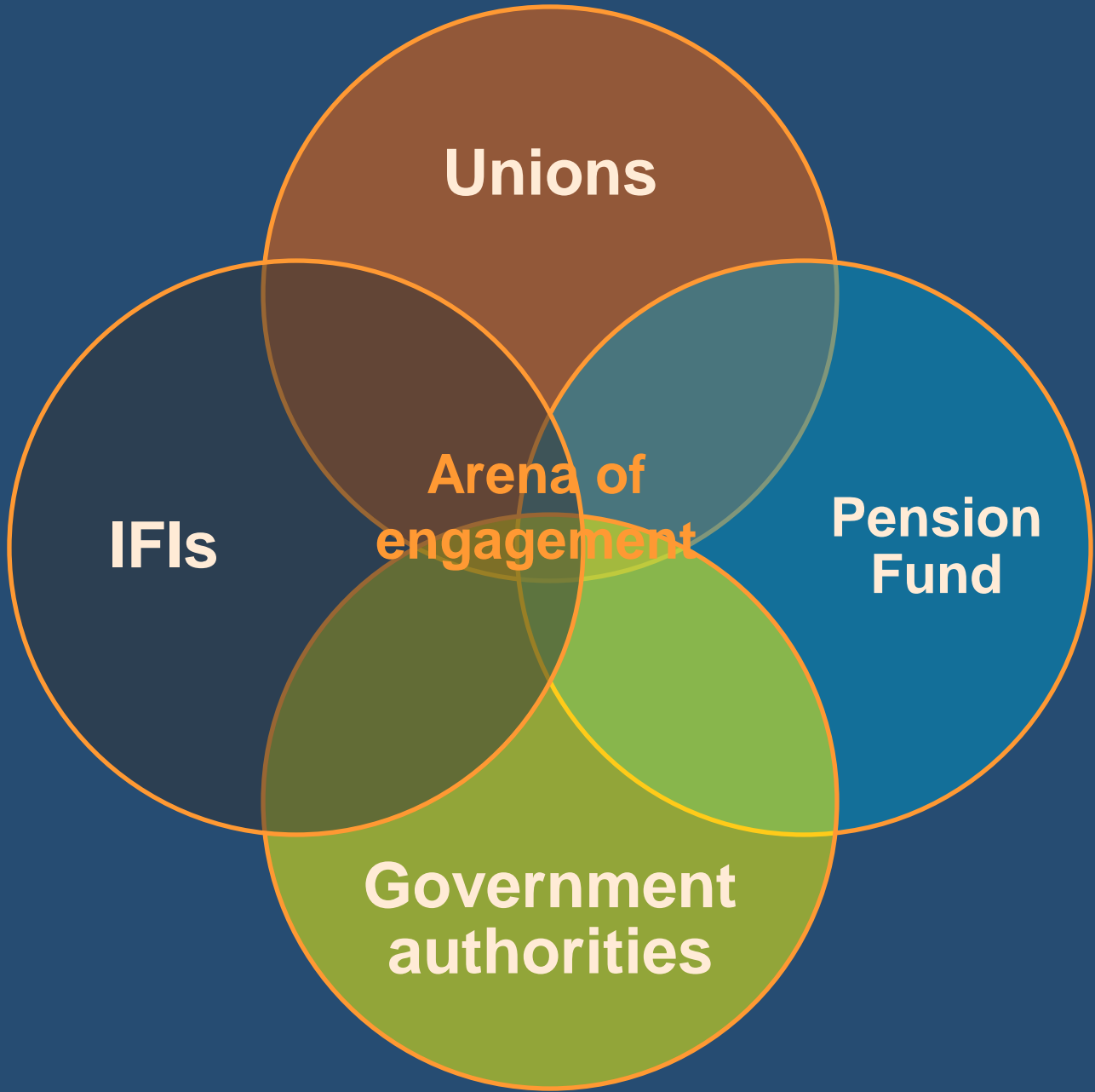
Safeguards and social dimensions

- ▶ **The investment is classified category F1 for impacts on the environment, involuntary resettlement, and indigenous peoples.**
- ▶ **The fund will apply ADBs prohibited investment activities list**
- ▶ **Abide by applicable national laws and regulations and comply with ADBs Safeguard Policy Statement (2009)**
- ▶ **Establish an appropriate Environmental Social Management System (ESMS) satisfactory to ADB**

- ▶ **The PINAI Fund's ESMS include arrangements to comply with national labour laws and ADBs Social Protection Strategy to ensure adherence to internationally recognized core labour standards, including provisions to prohibit any discrimination against women in hiring and to provide equal pay for men and women for equal work.**

- ▶ Includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism, and remedies for ADB in the event of noncompliance.

Arena of Engagement





Thank you!

