

Social Investment Organization

Three-Year Strategic Priorities

Approved by the SIO Board, January 26, 2011

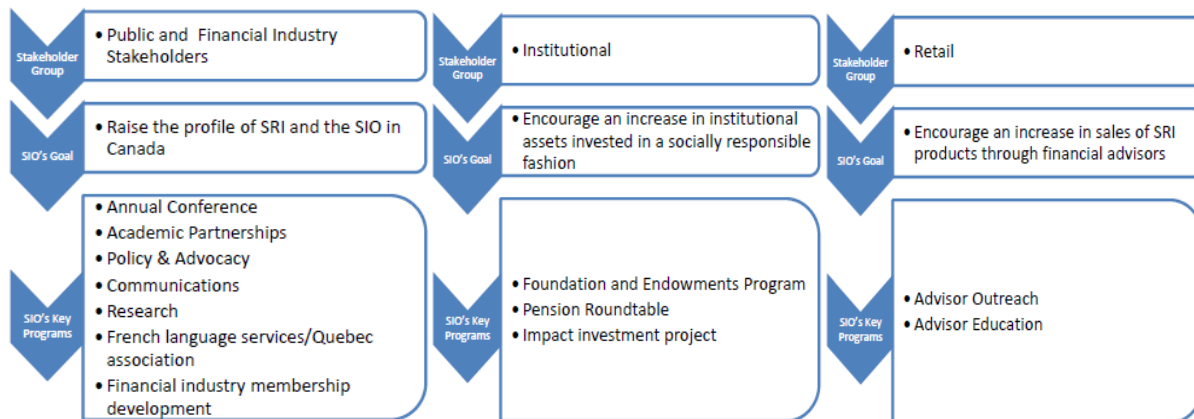
SIO's Three-Year Strategic Priorities 2011-13

Background

In June 2008, SIO's Board approved a Strategic Plan, which is now updated annually. This plan is the master document of the organization's budget and work priorities, setting out annual targets (milestones) and providing the framework for annual budgets. The strategic priorities are reviewed annually by the Board at its strategic planning session, and the plan rolls forward each year with new activities based on new and existing priorities.

SIO's Strategic Priorities in a Snapshot

SIO's Strategic Priorities are conceptualized in terms of three key stakeholder groups: Public & Financial Industry Stakeholders; Institutional Sector and Retail Sector. Each key constituency has a long-term goal attached to it. Programs are designed to achieve these goals on a short-term or long-term basis.



The SIO Board is looking at these goals with a view to measuring the industry's progress year-by-year. It is understood that SIO does not have complete control over whether the industry achieves these goals. Yet the development of appropriate metrics will assist the Board and the members of the SIO in determining the success of the SIO and the SRI industry in meeting its development objectives.

Public and Financial Industry Stakeholders

This stakeholder group includes stakeholders within the financial industry, as well as members of the public. SIO believes that one of our critical tasks is to educate the financial industry on the concept and practice of SRI, and to increase awareness of SRI by members of the investing public, as well as public opinion-leaders and policy-makers. It is important to distinguish SIO's role in this from the role of its members. It is not the role of the SIO to provide detailed product information to the public on SRI investment options. That is the role of SIO's members who are product and service providers. Rather, the SIO can play a role in educating the public broadly about the concept and practice of SRI, and advancing the agenda of SRI within key elements of the public sphere; namely the financial industry, the academic community and policy-makers and regulators.

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Stakeholder Group: Public and Financial Industry Stakeholders

SIO's Goal: Raise the profile of SRI and the SIO in Canada

SIO seeks to accomplish this goal through several key programs.

Annual Conference. The annual conference raises the profile of SRI through a yearly summit devoted to the latest trends and developments on SRI in Canada and around the world. This provides an opportunity for SIO to educate its own members and to provide networking opportunities for its members, but also to invite key members of the financial and investment industry to attend.

Academic Partnerships. SIO seeks to maintain a relationship with the academic community generally, and specific researchers and teachers in the SRI, responsible investment and ESG areas. The academics are viewed as an important opinion-leader sector that can not only develop innovations in intellectual capital for the SRI industry, but help to make the case for SRI among the public, media and policy-makers.

Policy & Advocacy. The aim of SIO's policy & advocacy program is to encourage development of a public policy environment that supports the practice and the development of the SRI industry. To accomplish this, the SIO supports policy and regulatory change on corporate disclosure and good governance, financial industry transparency on ESG issues, accounting policies that support responsible investment, and other public policy initiatives. SIO also maintains the Fund for Action on Investment Responsibility (FAIR), a donor assisted fund that can facilitate charitable and foundation funding for education and research projects related to public policy and SRI.

Communications. The SIO supports public education on SRI through liaison with the media to encourage media coverage of SRI; maintenance of a website, member listserve, member newsletter and social media strategy to reach out to the public. It also includes directories of information on SIO members for advisors and consultants.

Research. SIO's research is aimed at providing essential background and current data on the SRI industry for use by the financial and investment industry, media, academics and other researchers. It includes quarterly research on SRI Fund Performance and biennial research on the size and scale of the SRI industry in Canada. Consideration is being given to new research studies on various aspects of the SRI market.

French language services/Quebec association. As a national association SIO has an obligation to provide services to its members in both the English and French languages. As a Toronto-based organization with a primarily English-speaking membership, SIO recognizes that it has a long way to go to fulfilling its goal of providing full service to French-speaking members. SIO is working to

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translate its documents and provide service in the French language and to liaise with its members in Quebec on development of an SRI association in Quebec.

Financial industry membership development. SIO liaises on a continuous basis with financial institutions, asset management firms, fund companies, consulting firms and credit unions to enlarge its roster of associate and sustaining members. This adds financial strength to the SIO, enabling it to launch new programs, and it builds the network of companies involved in SRI.

Institutional Sector

The focus of the Institutional Sector is asset owners. The asset management and consulting industry is a large segment of the SIO membership, but the SIO has identified asset owners as the key sector for attention in its strategic plan. SIO has identified lack of awareness of SRI by asset owners as a key barrier to the development of the industry. Previous studies commissioned by the SIO have noted that staff and trustees of Canadian pension funds, foundations and endowments have poor awareness of SRI options. Education and training of this sector in SRI is a key mandate of the SIO.

Stakeholder Group:	Institutional asset owners
SIO's goal:	Encourage an increase in institutional assets invested in a socially responsible fashion

SIO operates three key programs in this area:

Foundation and endowments program. SIO liaises with the foundation sector to encourage development of responsible investment policies and practices, and pilot projects on SRI. It implements this primarily through discussions with umbrella organizations in the foundation sector. SIO also supports the establishment of organizations to press for adoption of responsible investment policies at university endowments and pensions.

Pension Roundtable. The Pension Roundtable is a unique initiative to gather staff of major pension funds in Canada that have responsible investment policies. The roundtable brings these people together quarterly for webinars related to the implementation of ESG analysis and practice by the pension community. The roundtable is open to pension members of the SIO and SIO is actively seeking new members in this category.

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Impact Investment Project. The Impact Investment Project is an initiative funded by the Ontario Trillium Foundation to pursue the feasibility of a national fund of funds to facilitate the investment of institutional assets into social enterprise, microenterprise and social purpose businesses across Canada. Establishment of such a fund would encourage the development of responsible investment by asset owners across Canada.

Retail Sector

SIO has identified lack of awareness of SRI products and services by advisors as a key barrier to the development of SRI in the retail sector. Compounding this problem is a reluctance by advisors to ask clients fundamental questions about their views on corporate social responsibility, and the environmental and social performance of their investments. SIO believes that the financial advisory industry is not providing suitable investments to a large number of clients, many of whom would express a preference for SRI investments if given the opportunity.

Stakeholder Group: Retail financial advisors

Goal: Encourage an increase sales of SRI products through financial advisors

The two key SIO programs in this area are Advisor Outreach and Advisor Education:

Advisor Outreach. SIO operates a program to reach out to advisors to network with the advisory community and to encourage participation in SIO conferences and SIO membership.

Advisor Education. In conjunction with Advocis, SIO offers a two-hour face-to-face advisor course, entitled *Socially Responsible Investment and Your Clients*.

Milestones

Here is an overview of the programs explained above, along with their three-year milestones.

Program	2011	2012	2013
Annual Conference	275 attendees (includes 100 advisors)	300 attendees (includes 100+ advisors) to be held in Montreal 75+ Quebec participants	350 attendees (includes 125+ advisors) to be held in Vancouver
Academic partnerships	Investigation of sponsorship possibilities, SRI Chair at RRU	If successful, RRU research partnership If successful, Carleton CURA partnership	Investigation of new collaborative research

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	<p>Preparation of SSHRC application with RRU</p> <p>If successful, launch of Carleton CURA partnership</p>		
Policy & Advocacy	<p>Conception and development of policy project through FAIR</p> <p>Continued work on policy priorities (shareholder democracy, KYC, social issues disclosure)</p> <p>Investigate collaboration with other SIFs</p>	<p>Policy project through FAIR, if warranted</p> <p>Continued work on policy priorities (shareholder democracy, KYC, social issues disclosure)</p> <p>Collaboration with other SIFs on selected projects</p>	
Communications	<p>Social media strategy developed</p> <p>Integration of CRM strategy through gifttool</p> <p>Investigation of website re-design, including self-funding models, implementation of re-design if feasible</p>	<p>Integrated CRM/social media/ communications strategy</p>	<p>Integrated CRM/social media/ communications strategy</p>
Research	<p>Release of 2010 SRI Review late-March</p> <p>Investigation of research projects related to SRI market issues</p>	<p>Realignment of effective date to Dec 2011 for SRI Review, joint launch with other SIFs – November 2012</p> <p>Launch of research projects, development of a research program</p>	<p>Implementation of SRI market research program</p>
French Language Services/Quebec association	<p>Translation of key services</p> <p>Exploration of funding for additional service</p> <p>Investigate potential partnership with Sustainable Finance</p>	<p>Translation of key services</p> <p>Provision of key French language services</p> <p>Partnership with Sustainable Finance Initiative on 2012 conference, if warranted</p>	<p>Translation of key services</p> <p>Provision of key French language services</p>

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	Initiative re: 2012 conference		
Financial industry membership development	\$105,000 in sustaining revenue; \$115,500 in associate revenue	\$120,000 in sustaining revenue; \$145,000 in associate revenue	\$135,000 in sustaining revenue; \$175,000 in associate revenue
Foundation & Endowments	Investigation of foundation training program in collaboration with foundation umbrella groups Create factsheet on Canadian universities with RI policies Investigate development of university outreach strategy	Development of foundation training program in collaboration with foundation umbrella groups, if warranted Implementation of university outreach strategy, if warranted	Implementation of foundation training program in collaboration with foundation umbrella groups, if warranted
Pension Roundtable	Roundtable meets four times/year \$10,000 pension membership revenue Establishment of pension listserve	Roundtable meets four times/year \$15,000 pension membership revenue Engagement with pensions on ESG analysis, engagement initiatives	Roundtable meets four times/year \$20,000 pension membership revenue Increasing engagement
Impact Investment Project	Support for development of fund of funds	Support for establishment of fund of funds	
Advisor outreach	Investigation of collaborative outreach by fund companies Investigation of cancellation of advisor dinner program, new outreach strategies through dealerships, brokerages \$35,500 in professional revenue	Establishment of collaborative outreach by fund companies, if warranted Establishment of dealership, brokerage outreach strategies \$43,000 in professional revenue	Investigation of new strategies through social marketing \$52,000 in professional revenue
Advisor education	Face-to-face course to remaining interested Advocis chapters + summer schools (est. 15)	Face-to-face delivered to 10 dealers, other venues	Expansion of online course (more offerings, higher enrolment)

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	Development of French language course	Rollout of French language course	Expansion of French language enrolment
	Investigation of sustainable funding model	Implementation of sustainable funding model, if warranted	
	Development of initial online advisor course	Rollout of online course	
	Investigation of SRI Specialist Certificate course	Development of SRI Specialist Certificate course	Rollout of SRI Specialist Certificate course

Comments and Questions

The SIO Board invites your comments and questions regarding its strategic plan. Please discuss your comments with Executive Director Eugene Ellmen.

Eugene Ellmen

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