



FUNDAMENTUM

PROPERTY

The rise of 'sustainable, responsible and ethical' investment

21 September 2018

This week

The **Department for Work and Pensions** in the last week has clarified in law that their Trustees' Fiduciary duties now include the consideration of environmental, social and governance (ESG) factors. The DWP laid out the new regulations following a public consultation which took place over the summer, and are a response to a report in 2017 on **pension funds and social investment**. The new scheme requires the Trustees to 'proactively consider and set out how they have implemented the policies, explaining any change made during the scheme year, and the reason for the change'. The **UKSIF** organisation (UK Sustainable and Investment Finance Association) has stated that the news is significant for the sector, and has the potential to drastically increase assets being managed in a sustainable and responsible manner.

Context

In the Social Housing Green Paper, 'A new deal' released by the Government last month, under the consumer regulation objectives in Chapter 2, set out by Parliament for the Regulator of Social Housing (RSH), it states its 'to encourage registered providers of social housing to contribute to the environmental, social and economic well-being of the housing area.' This correlates with an **emerging market** in the investment sector, notably the growth and raising awareness of 'sustainable, responsible and ethical finance.' Organisations such as the UKSIF, and the UNPRI (UN Principles of Responsible Investment) are at the forefront of developing opportunities for investors interested in this niche investment sector, as well as organising events such as **Good Money Week**, to inform and update investors on the marketplace specifically.



Social Impact Investing

Social Housing, and indeed Supported Housing, falls under the bracket of 'sustainable, responsible and ethical' investing as well as 'social impact'; which at its core is designed to contribute to, and accelerate **social change**. The value which Supported Housing continues to bring to society and the opportunities it facilitates for the individuals involved is irrefutable. Social impact investing however can also include anything from renewable energy, conservation, and boosting accessible and basic services such as, healthcare and education.

Summary

This form of investment will continue to gain momentum, as ESG considerations become increasingly **familiar and desirable** by investors who wish for their investments to make a quantifiable difference in society. Supported Housing remains a unique and secure investment option for those wishing to contribute to a **sustainable housing solution** for the most vulnerable in society. Fundamentum Property too has also recognised the value and importance of taking responsibility for aspects such as environmentally friendly initiatives, in regards to its own Supported Housing stock. By setting simple, yet effective standards, the **environmental impact** and sustainability of each asset can be dramatically reduced.

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