

PRI in Person 2009 Agenda Overview

Day 1: 16 July 2009	
8:00- 9:00	Registration
9:00- 9:30	Keynote Address
9:40- 11:10	<i>Room 1: The Great Debate: Responsible investment could have prevented this mess, and responsible investment can get us out of it!</i> <i>Room 2: The Road to Copenhagen and beyond: Investor participation in climate policy</i>
11:10- 11:40	Coffee Break
11:40- 12:25	<i>Room 1: From research to returns: ESG integration as a driver of investment processes</i>
12:25- 13:10	<i>Room 1: Investing for impact: are 'ESG Alternatives' the next big opportunity?</i>
11:40- 13:10	<i>Room 2: Climate change risk and strategic asset allocation - looking ahead</i>
13:10- 14:40	Lunch & Signing Ceremony (14:10- 14:40)
14:40- 16:10	AGM: Progress to date and vision for 2014 - Development of the Initiative over the next five years & AGM Question and Answer
16:10- 16:40	Coffee Break
16:40- 17: 25	Signatories' progress: Results of the 2009 Reporting and Assessment process
18:00- 21:00	Gala Dinner: A cruise of the harbour aboard the Starship Sydney

Day 2: 17 July 2009	
8:30- 9:00	Breakfast and registration
9:00- 9:50	Investor transparency: this won't hurt a bit!
10:00- 11:00	<i>Room 1: Fixing the system: Universal owners and collective shareholder engagement</i> <i>Room 2: Responsible Investment and Private Equity</i>
11:00- 11:30	Coffee Break
11:30- 12:30	<i>Room 1: Fiduciary responsibility: Translating ESG into investment mandates</i> <i>Room 2: Tackling the skills shortage: Exploring the RIAA Responsible Investment Academy and PRI Academic Network</i>
12:30- 13:45	Lunch
13:45- 14:30	<i>Room 1: Collaborative engagement: beyond letter writing</i> <i>Room 2: Responsible property ownership: The scope for tenant engagement</i> <i>Room 3: Clearinghouse: Promoting corporate transparency - beyond the usual suspects</i>
14:35- 15:30	<i>Room 1: Clearinghouse: Labour and Human Capital</i> <i>Room 2: In partnership with the public sector: joint projects and collaborations</i> <i>Room 3: Clearinghouse: Taking Liberties: What are the limits to investor engagement on human rights issues?</i>
15:30- 16:00	Coffee Break
16:00- 17:30	<i>Room 1: Challenges and opportunities for responsible investment in emerging markets</i>
16:00- 16:45	<i>Room 2: Doing more with less: RI lessons from the Small Funds Initiative</i>
16:50- 17:35	Clearinghouse: Biodiversity and ecosystem services - the next Climate Change?
16:00- 16:45	<i>Room 3: Clearinghouse: UN Global Compact engagements - Seoul Initiative and engagement on communicating progress</i>
16:50- 17:35	Clearinghouse: Water
17:35- 17:50	Closing remarks

Detailed Agenda

Day 1: 16 July 2009

8:00- 9:00 Registration

9:00- 9:30 Keynote Address:
The Honorable Peter Garrett AM MP, Minister for the Environment, Heritage and the Arts, Australia

9:40: 11:10 **Terry A'Hearn, Director, Business Development, EPA Victoria**
Room 1: The Great Debate: Responsible investment could have prevented this mess, and responsible investment can get us out of it!

Debaters:

Colin Melvin, Chief Executive Officer, Hermes Equities Ownership

Damon Silver, Associate General Counsel for the AFL-CIO and Deputy Chair of the Congressional Oversight Panel for TARP

PRI signatories, like all investors, were badly hit by the crisis. Colin Melvin and Damon Silver will debate whether responsible investors could have prevented this crisis and whether they have a key role in getting us out. Table discussions will consider the following questions:

- How has the crisis affected your fund and its approach to responsible investment?
- Do you think your fund could have done anything more to prevent the types of practices that led to the crisis?
- Do you think that being more active as an owner could have made a difference?
- What about your risk management processes?
- Do you think responsible investment has a role in getting us out of this crisis? How?

Room 2: The Road to Copenhagen and beyond: Investor participation in climate policy

Moderator:

Steve Gibbs, Director, IGCC

Speakers:

Dr. Ben McNeil, Senior Fellow Climate Change Research Centre, University of

New South Wales and author of 'The Clean Industrial Revolution'
Marcel Jeucken, Head of Responsible Investment, PGGM Investments

Kylee McGee, Policy Program Manager, CERES

Also:

- Gianluca Manca, Head of Sustainability and Global non-profit Business, Eurizon Capital & Chair, UNEP FI Asset Management Working Group will present findings from the new UNEP FI publication 'The Materiality of Climate Change: How Finance Copes With The Ticking Clock'

How can investors best contribute to the climate policy and the COP15 process to renew the Kyoto protocols? What should investors do, both by themselves and collectively, to ensure international policy incentives capital flows into low carbon opportunities and works for the markets? The PRI/UN Global Compact 'Caring for Climate' report will be presented and the new UNEP FI Asset Management Working Group publication 'The Materiality of Climate Change' will be launched. Concrete actions, ideas for collaborations and next steps will be discussed.

11:10- 11:40

Coffee Break

11:40- 13:10

Room 1:

(11:40- 12:25)

From research to returns: ESG integration as a driver of investment processes

Speakers:

Gianluca Manca, Head of Sustainability and Global non-profit Business, Eurizon Capital – Intesa Sanpaolo Group & Chair, UNEP FI Asset Management

Dr. François Perrin, Senior Portfolio Manager, Sustainable and Responsible Investment, Fortis Investments

Julie Hudson, Global Head of Socially Responsible Investing and Sustainability Research, UBS Investment Banking

PRI signatories accept that environmental, social and governance (ESG) factors can be powerful drivers of company value. However, recognising this is only the first step. Managers must be able to identify and weigh the materiality of the various ESG factors in order to integrate them into the investment process, along with valuation and risk management. This session goes to the heart of the bottom-up approach to ESG integration and what

tools exist or can be developed to make consideration of ESG issues a key driver of process rather than a marginal consideration or add-on.

(12:25- 13:10)

Investing for impact: are 'ESG Alternatives' the next big opportunity?

Moderator:

James Gifford, Executive Director, PRI

Speakers:

Heidi Finskas, Advisor Responsible Investments, KLP

John Harald Orneberg, Director, The Forest Company and Founder and CEO of Timber Capital Ltd.

Mainstream investors are beginning to sample the growing menu of investments that have sustainable development outcomes as well as attractive returns.

- How can investors participate in these emerging opportunities, such as infrastructure in the developing world, microfinance, forest bonds, sustainable VC and clean tech? Are these the new areas of growth?
- Will governmental initiatives such as the "Green New Deal" result in significant commercial investment opportunities that also deliver important ESG outcomes?

Room 2:

Climate change risk and strategic asset allocation - looking ahead

Speakers:

Antoine de Salins, Membre du Directoire, Fonds de Réserve pour les Retraites (FRR)

Jane Ambachtsheer, National Partner, Mercer Investment Consulting

Valborg Lie, Senior Advisor, Asset Management Department, Norwegian Government Pension Fund

Nathan Fabian, Chief Executive Officer, IGCC

Most ESG research has been produced and used for bottom up stock selection. With most variation in returns to pension funds coming from asset allocation decisions, are we missing the biggest piece of the puzzle? What is

the role of ESG research in top-down asset allocation decision-making processes? What is the role of asset consultants in advising on top-down approaches to ESG integration?

13:10- 14:40

Lunch

(14:10- 14:40) **Signing Ceremony**, Location TBC

14:40- 16:10

Room 1: AGM: Progress to date and vision for 2014 - Development of the Initiative over the next five years

Speakers:

Paul Clements-Hunt, Head of Unit, UNEP Finance Initiative

Gavin Power, Deputy Director, UN Global Compact

Donald MacDonald, Trustee, BT Pension Scheme and Chair, PRI

Glen Saunders, Director, New Zealand Superannuation Fund and Treasurer, PRI

James Gifford, Executive Director, PRI

Paul Clements-Hunt from UNEP Finance Initiative and Gavin Power from the UN Global Compact will outline the importance of the PRI Initiative within the UN context and highlight the activities being undertaken by those agencies in support of the PRI and responsible investment. The PRI Chair, Treasurer and Executive Director will review the last year and present a vision for the next five years, including ideas for strategy, governance, financial sustainability and the proposed work programme. Signatories will have an opportunity to discuss the future direction of the Initiative.

16:10- 16:40

Coffee Break

16:40- 17:25

Room 1: Signatories' progress: Results of the 2009 Reporting and Assessment process

Speakers:

Antoine de Salins, Membre du Directoire, Fonds de Réserve pour les Retraites (FRR)

Jane Ambachtsheer, National Partner, Mercer Consulting Services

Brigid Barnett, Manager, Responsible Investing Manager, Canada Pension Plan Investment Board

This session will provide an overview of the results of the 2009 PRI Report on Progress on a Principle-by-Principle basis. This year's report contains more examples and case studies, and these will also be highlighted.

18:00- 21:15

Gala Dinner: Starship Sydney

A stunning 3 hour cruise of Sydney Harbour aboard the modern glass cruising boat, The Starship Sydney. Included with Conference Registration.

Day 2: 17 July 2009

8:30- 9:00

Coffee & registration

9:00-9:50

Room 1: Investor transparency: this won't hurt a bit!

Moderator:

Lorenzo Saa, Reporting and Assessment Manager, PRI

Speakers:

Else Bos, Chief Executive Officer, PGGM Investments

David Couldridge, Senior Investment Analyst, Frater Asset Management

Investors often press for greater transparency and disclosure by companies – but many investors still have some way to go in their own reporting. This session focuses on:

- What is appropriate disclosure by investors within the context of Principle 6?
- What should investors be disclosing in order to encourage a more transparent market overall? What shouldn't investors be disclosing?
- How should the PRI's 'comply or explain' provision be implemented?
- What level of disclosure should pension funds and mutual funds be providing to their beneficiaries and members?

10:00- 11:00

Room 1: Fixing the system: Universal owners and collective shareholder engagement

Moderator:

James Gifford, Executive Director, PRI

Speakers:

Valborg Lie, Senior Advisor, Asset Management Department, Norwegian Government Pension Fund

Richard Mattison, COO, Trucost

Quentin Grafton, Professor, Co - Chair of ANU Water Initiative, Crawford School of Economics and Government

This session will outline the rationale for institutional investors to focus on addressing harmful economic externalities by engaging their investee

companies and public policy makers. This session is part of an exciting project that the PRI and UNEP Finance Initiative are currently undertaking and it is of strategic importance to the PRI initiative.

The specific goals of the project are to:

- Identify and prioritize major economic externalities related to corporate activity, that, if addressed, could have a positive impact on the economy (regionally or globally), the capital markets and ultimately on the investor returns
- Evaluate which of these externalities can be reduced significantly through collective shareholder engagement or dialogue with public policy makers.
- The project will quantify how the most economically harmful environmental, social and governance externalities involving corporations can be identified and then reduced through collaborative shareholder engagement by the owners of these corporations.

Discussion questions:

- Why should institutional investors consider externalities in their investment decisions and ownership practices?
- What are these externalities?
- Can externalities be internalised within a portfolio and impact investor returns?
- How can investors address these externalities through collaborative shareholder engagement?

Room 2: Responsible Investment and Private Equity

Moderator:

Tom Rotherham, Special Advisor on Private Equity, PRI

Speakers:

John Brakey, Director, Kohlberg Kravis & Roberts (KKR)

Carl Rosén, Head of Corporate Governance, AP2

Mike Musuraca, Managing Director, Blue Wolf Capital Management

David Russell, Co-Head of Responsible Investment, USS

Private Equity is a promising area for the development of new approaches to responsible investment. What is to be learned from the PRI's private equity work stream? What are the next steps for integration of ESG issues into private equity (and other non-traditional asset classes)? Practitioners will first present existing tools and case studies. The second part of the session will outline the objectives of the work stream for the next year, discuss the creation of a research agenda for GP and LP signatories, and explore RI in other alternative asset classes.

11:00- 11:30 Coffee Break

11:30- 12:30 **Room 1: Fiduciary responsibility: Translating ESG into investment mandates**

Moderator:

Paul Clements- Hunt, Head of Unit, UNEP Finance Initiative

Speakers:

Tim Barron, President and CEO, RogersCasey

Anita Skipper, Corporate Governance Director, Aviva Investors

Donald MacDonald, Trustee, BT Pension Scheme and Chair, PRI

This session takes off from the upcoming 2009 UNEP FI Asset Management Working Group report – "Fiduciary responsibility: Theoretical, legal and practical aspects of integrating environmental, social and governance issues into institutional investment" – a sequel to UNEP FI's 2005 'Freshfields Report'. This session will address:

- What is the state of the art on fiduciary duty and ESG issues?
- How can asset owners operationalise the integration of ESG issues into their mandates?
- What are best practices from investment managers and investment consultants?
- What are the duties to their principals with respect to ESG issues?
- What are the specific failures, misalignments and conflicts of interest within the system, and how can they be addressed?

Room 2: Tackling the skills shortage: Exploring the RIAA Responsible

Investment Academy and PRI Academic Network

Speakers:

Louise O'Halloran, Executive Director, Responsible Investment Association Australasia

Christina Wolfeld Gehring, Centre for Corporate Social Responsibility (CENSA) and PRI Secretariat

Every industry has its education and training platform and every industry has been crucial to its development and effectiveness. With the launch of the Responsible Investment Academy and PRI Academic Network, what does the investment industry need from training institutions and academia? What are the skills and knowledge gaps and what are the priorities? What learning style works best? Table discussions will focus on identifying key training and research needs around responsible investment, and how PRI signatories can contribute to the development of the Academy and develop closer links with the academic community.

12:30- 13:45

Lunch

13:45- 14:30

Room 1: Collaborative engagement: beyond letter writing

Moderator:

James Gifford, Executive Director, PRI

Speakers:

Kirsty Jenkinson, Director, Governance & Socially Responsible Investment, F&C Asset Management

Ann Byrne, Chief Executive Officer, Australian Council of Super Investors

Letter writing is only the first step in collaborative shareholder engagement and, alone, will likely have minimal impact. What is the next level of collaborative shareholder engagement that will truly lead to changes in corporate behaviour? What are the resource implications? This session reviews a number of case studies of collaborative engagements that went beyond letter-writing, including joint company meetings, voting against management, shareholder resolutions and policy-maker dialogue.

Room 2: Responsible property ownership: The scope for tenant engagement

Moderator:

Dr. Nils Kok, Assistant Professor in Finance and Real Estate, Maastricht University

Speakers:

Craig Roussac, General Manager, Sustainability, Safety & Environment, Investa Property Group and UNEP FI Property Working Group

Cate Collins, Sustainability Manager, Lend Lease Investment Management and UNEP FI Property Working Group

Preston R. Sargent, Principal, Executive Vice President, Portfolio Management, Kennedy Associates Real Estate Counsel LP

The environmental and social impacts of a building cannot be attributed exclusively to the owners. As occupiers, tenants often have the greatest impact. Responsible property investors do have some leverage with tenants, particularly when negotiating leases. This session will explore how investors can effectively engage tenants on issues such as energy efficiency, green fit-outs, waste and recycling, and ongoing use of the building in the most sustainable way. The UNEP FI Property Working Group will present an upcoming report on tenant engagement, and signatories will be invited to share their experiences.

Room 3: Clearinghouse: Promoting corporate transparency - beyond the usual suspects

Moderator:

Dan Sidy, Director, Delsus Limited

Speakers:

John Oliphant, Head of Actuary and Investment, GEPF of South Africa

Peter Webster, Executive Director, EIRIS

Despite recent improvements, in many emerging markets, corporate ESG disclosure is still rare, and is often limited to descriptive CSR and community activities. This session will focus on current and proposed engagement activities to encourage greater transparency among emerging market companies. Has there been increased disclosure and transparency on ESG reporting, especially in smaller emerging markets? What are the major obstacles? How can investors play a bigger role in promoting greater disclosure?

14:35- 15:30

Room 1: Clearinghouse: Labour and Human Capital

Moderator:

Ann Byrne, Chief Executive Officer, Australian Council of Super Investors

Speakers:

Aaron Bernstein, Senior Research Fellow, Harvard Law School Labour and Worklife Program

Christopher J. Ailman, Chief Investment Officer, California State Teachers' Retirement System (CalSTRS)

How are labour and human capital issues connected with corporate performance? What are the emerging trends in labour standards globally? Leading signatories will discuss their experience engaging companies on labour issues. Signatories will be invited to brainstorm future collaborations on the topic.

Room 2: Public partnerships: How to increase collaborations with governments

Chair:

James Gifford, Executive Director, PRI

Speakers:

Liz Compton, Program Manager Finance Sector, EPA Victoria

Dan Sidy, Director, Delsus Limited

Governments and responsible investors are increasingly working together on a range of issues, from biodiversity to promotion of RI in emerging markets and RI training. How can the public sector be further engaged to collaborate with investors? A number of case studies of investor/policy-maker collaboration will be presented followed by a discussion on how a new PRI public policy network might help identify mutual goals between the two communities.

Room 3: Clearinghouse: Taking Liberties: What are the limits to investor engagement on human rights issues?

Moderator:

Anne-Maree O'Connor, Head of Responsible Investment, New Zealand Superannuation Fund

Speakers:

Vanessa Zimmerman, Legal Advisor, UN Special Representative on Business and Human Rights

Eugenia Buosi, SRI Analyst, Santander

Heidi Finskas, Advisor Responsible Investments, KLP

There is an ongoing discussion about companies' responsibilities toward human rights, and how to increase awareness and integration of human rights issues in the private sector. This session is an opportunity for PRI signatories to share experiences of engagement on human rights issues and a chance to re evaluate what human rights engagement should look like. The session will discuss what makes an engagement successful, and if there are limits to engagement. Should engagements in emerging markets be approached differently than those in developed markets? This panel will draw from a variety of signatory experiences, ranging from engagement on Sudan to engagement on slave labour.

15:30- 16:00

Coffee Break

16:00- 17:30

Room 1: Challenges and opportunities for responsible investment in emerging markets

Moderator:

David Creighton, President and CEO, Cordiant (Canada)

Speakers:

Shareen Shariza Dato' Abdul Ghani, Senior Vice President, Khazanah (Malaysia)

Melissa Brown, Director, IDFC Global Alternatives (Hong Kong) Ltd

Rafael Castro, Manager of the President office, PREVI (Brazil)

Heather Jackson, Head of SRI, Cadiz (South Africa)

Lucas Rooney, Business Executive, Colonial First State Global Asset Management (Australia)

Questions for discussion:

- Do current investment practices around ESG integration and active

ownership in emerging markets match the scale of the opportunities and challenges?

- What role can be played by local or regional PRI Networks in the development of RI in emerging markets?
- Which ESG engagement tools work best with companies and regulators?
- Which ESG issues are asset owners in Asia, Brazil, South Africa most concerned about?
- What role does government and regulation play in promoting the inclusion of ESG factors?
- What one change could be made to improve the industry and help fast track development of ESG in the emerging markets?
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Room 2:

(16:00- 16:45)

Doing more with less: RI lessons from the Small Funds Initiative

Moderator:

Jerome Tagger, Chief Operating Officer, PRI

Speakers:

Tim Macready, Chief Investment Officer, Christian Super

Daniel Simard, General Coordinator, Comité syndical national de retraite Bâtirente

Jessica van der Meer, Project Assistant, PRI

In good and difficult times, all funds are under pressure to do more for less. This discussion is a chance for signatories large and small to learn from the more resource-constrained funds of the PRI community how to practice responsible investment in a cost-effective way. This session will explore best practice case studies; collaboration opportunities; and also present the new phase of work for the PRI Small Funds Initiative.

(16:50- 17:35)

Clearinghouse: Biodiversity and ecosystem services – the next Climate Change?

Moderator:

Amanda McCluskey, Head of Responsible Investment and Sustainability,

Colonial First State Global Asset Management

Speakers:

Danielle Welsh, Senior Analyst Sustainability Investments, VicSuper

Judy Stewart, Managing Director, Great Barrier Reef Foundation

Rachel Etherington, Director of Fundraising, Fauna and Flora International Australia

Biodiversity and ecosystem services are now recognised by economists as important drivers of the global economy and providers of "hidden" economic services. However, few investors have assessed the relevance and impact of ecosystem services on their portfolios and what they can do to address the issue. The session will discuss case studies on investor engagement in promoting better management of these resources, as well as emerging investment opportunities.

Room 3:

(16:00- 16:45)

Clearinghouse: UN Global Compact engagements – Seoul Initiative and engagement on communicating progress

Moderator:

Marcel Jeucken, Head of Responsible Investment, PGGM Investments and Steering Committee Member, IIGCC

Speakers:

Rosemary Sainty, Focal Point, UN Global Compact Network Australia and Head, Responsible Business Project, St James Ethics Centre

Vidette Bullock Mixon, Director, Corporate Relations, General Board of Pension and Health Benefits United Methodist Church

Anne Simpson, Senior Portfolio Manager for Corporate Governance, The California Public Employees' Retirement System (CalPERS)

How can PRI signatories capitalise on the engagement opportunities with the Global Compact? This session will review the effectiveness of the "Seoul Initiative" and the collaborative engagement on GC leaders and laggards. Looking at lessons learned from these engagements, the panelists will address investor exposure to corruption and propose a new joint engagement on anti-corruption.

(16:45- 17:35)

Clearinghouse: Water

Moderator:

Dr Richard Fuller, Investments Analyst, Hesta Superfund

Speakers:

Gavin Power, Deputy Director, UN Global Compact

Erik Breen, Senior Vice President, Robeco

Katrina Myers, ESG Analyst, Monash Sustainability Enterprises

How are investors actively addressing water risks and opportunities in their portfolio? With the annual event being held in the driest inhabited continent in the world, this session will go beyond discussing corporate water disclosure and will look at how investors are engaging with companies on issues related to water governance.

17:35- 17:50

Closing remarks