

THREE-YEAR STRATEGY – BOARD INPUT AND SIGNATORY CONSULTATION FEEDBACK

■ Executive Summary

- The Blueprint for Responsible Investment sets out our vision for the next 10 years. It was developed on the back of extensive consultation with the signatories during 2016.
- The Executive developed a draft three-year strategy (2018-21) with the purpose to deliver the first stages of that 10-year vision. The Board gave extensive feedback to the three-year strategy which has been incorporated into the strategy that was sent out for signatory consultation.
- The signatory consultation ran during October / November and we received feedback from over 100 signatories that participated in an online survey and webinar discussions.
- The signatory response has been overwhelmingly supportive and we do therefore suggest to the Board that we accept the three-year strategy without further changes.

■ Development of the three-year strategy and Board Input

- The three-year strategy 2018-21 was developed by the Executive with the purpose to deliver the first stages of the 10-year Blueprint for Responsible Investment.
- The Board provided feedback extensive feedback to the draft three-year strategy at the in-person Board meeting in September.
- Board members then also provided written feedback to the subsequent draft in October, before the strategy paper that was put out for consultation with the signatories.
- The following table summarises the main feedback from the Board. Further detailed comments have been recorded in the minutes of the Board Meeting on 23/24 September.

Comments	Incorporated
The three-year strategy needs to be focused on signatory value, progress and impact.	√
The three-year strategy should present a strong narrative to signatories, including an overarching strapline.	√
Effective dissemination of the materials that PRI produces is important. The digital strategy is critical.	√
The strategy should not be reticent about the SDG work programme.	√
Ensure there is enough emphasis on beneficiaries and a greater emphasis on social issues.	√
Be clear about Blueprint objectives and three-year strategic initiatives. Provide a clear strategy map to present the three-year plan to signatories.	√
Map the strategic initiatives to the six principles.	√
Be aware of regional differences. Strengthen the local networks.	√
Ensure that the internal organisation supports the delivery of signatory value by focusing on delivering against the nine Blueprint impact areas.	√

Comments	Incorporated
Ensure we provide KPIs that measures progress against the Blueprint commitments rather than the external environment.	To be presented at the March Board meeting
The asset owner objective is core to the PRI's work.	√
Ensure the activities within ESG incorporation are broad enough, and consider including SDGs in this area.	√
Ensure that signatories can use the collaboration platform to foster a stronger community of active owners.	√
Ensure it is clear that there are three broad themes within the accountability programme: accountability, reporting and leadership. Ensure that the programme is positively framed,	√
Ensure the activities around convening and educating signatories are strategic.	√
Ensure that the strategic activities within the SFS programme align with the SFS programme already presented to the Board at an earlier date.	√
Include the consolidation of reporting standards within the impact area on data use in the three-year strategic plan.	√
Encourage the supply of green and sustainable investment opportunities by working on taskforces and other convening bodies.	√
The launch of the investment case of SDGs is a priority.	√

■ The signatory consultation

- The signatory consultation on the three-year strategy ran from 18 October till 15 November, 2017.
- We asked signatories four questions about the three-year strategic plan:
 - Will the proposed strategy effectively start the delivery of the Blueprint? Are the proposed initiatives the right ones and the right level of ambition for this initial period?
 - Are the strategic objectives the right ones? Are we focusing on the right objectives in each of the nine Blueprint areas?
 - Does the strategy work for you? How will this proposed strategy affect or influence your organisation? To what extent will it support you in your work to integrate ESG issues?
 - Are the enablers right? Is the PRI taking the right actions for the delivery of the strategy?

■ Signatory participation

- We received 76 responses through the online survey tool. The survey was sent to all signatories and promoted it through direct mails, information on our website and through social media (Twitter, Linked-in).
- We also organised two webinars for signatories, during which we presented the three-year strategy and allowed for direct feedback from participants. The webinars took place on 1 November - at 08:30 and at 17:30 to allow signatories in the different time-zones to participate. Some 73 signatories signed up to the webinars: 38 attended on the day and the remaining signatories were sent a follow-up recording of the webinar.

■ **Quantitative feedback through the online survey**

- We received 76 online responses.
 - 25 Asset Owners
 - 37 Investment Managers
 - 14 Service Providers
- The geographical breakdown.
 - 32 Europe
 - 21 North America
 - 9 Australia / New Zealand
 - 6 Brazil / Argentina / Mexico
 - 4 Japan
 - 3 Singapore
 - 1 South Africa

■ **Responses to the four questions.**

Question	YES	DON'T KNOW	NO
Will the proposed strategy effectively start the delivery of the Blueprint?	61 (80%)	9 (12%)	6 (8%)
Are the strategic objectives the right ones?	61 (80%)	11 (15%)	4 (5%)
Does the strategy work for you, and will it support your work?	60 (79%)	11 (15%)	5 (6%)
Are the enablers right?	60 (79%)	11 (15%)	5 (6%)

■ **Broad support for the three-year strategy**

- The feedback on the three-year strategy has generally been positive. There is a large majority of respondents that is supportive of our three-year strategy and the proposed enabling activities.
- Signatories really like the 10-year Blueprint for Responsible Investment and as the three-year strategy builds on that, they are comfortable with our plan for the next three years.
- Survey participants commented that PRI's activities are increasingly aligned with their own activities.
- Signatories welcome the increased emphasis on supporting Asset Owners. They highlight a continued need to recruit more AOs and strengthen the AO community within the PRI. They express extensive support for the AO platform.
- There is broad backing for the sustainable markets programme, the work on alignment between RI and the Sustainable Development Goals, and for continued emphasis on climate action. Many signatories comment that climate change is the most pressing issue ESG for them.

■ **Signatories endorse the activities under the Enabling Environment**

- Signatories confirm their support for the initiatives outlined within the Enabling Environment section.
- There is strong support for strengthening the digital platform to improve communications with signatories.

- Respondents appreciate the focus on extending the network of network managers in the local markets to support the signatory networks on the ground. Signatories highlight the desire to have PRI material translated into several languages.
 - Signatories raise the importance of being able to attract the right staff – ‘credible investment professionals’ and ‘highly quantitative and data-driven would be helpful in bridging gap between those investors still on the side-line.’
 - There is a request for clear performance measurements to underpin the three-year strategy.
- **Signatory comments and questions**
- Most signatories think the goals articulated in the strategy are correct but there are some signatories that question the level of ambition. One signatory states: ‘will the 3-year programme go far enough? It is heavy on education and community building, lighter on structural components of investing. We need a pathway to ensure that more institutional investors are asking hard questions with respect to the PRI.’
 - Other signatories, however, warn against a programme that is too ambitious: signatories raises the point that the Blueprint and the three-year strategy may have too many objectives and that a narrower set of targets would be more beneficial.
 - Some signatories raise the role of governments in changing the RI landscape and the need to focus more on encouraging governments to play a leading role in delivering the ambitions as articulated in the Blueprint. There is general support for our policy work.
 - Some Asset Owners highlight the importance of the PRI Academy and the role it should play in developing and delivering high quality materials for signatories at different stages of ESG incorporation.
 - Some respondents raise questions about the focus on SDGs and question what the role of the PRI, or more broadly investors in general, should be. One Asset Owner highlights that the investee companies are responsible for implementing change and working towards achieving the SDGs. Investors can only challenge and encourages investee companies to align its activities with the SDGs through active ownership and standard-setting activities.
- **There is a high degree of interest around the accountability programme**
- Signatories express general support for the accountability programme and our ongoing focus on making the ‘assessment process more real and ...[at the same time] both tougher on laggards and celebrating significant achievement.’
 - However, it continues to attract a high level of interest, and some concern, about the implementation of the programme, and in particular the introduction of the minimum requirements and the potential of delisting of signatories.
 - There are some questions from respondents around the lack of opportunities to distinguish signatories that operate at the top end: how does the PRI recognise leading best practice in responsible investment.
- **Attachments**
- The feedback to the signatory survey.
 - Names of the signatories that participated in the signatory consultation webinar.