

**PRINCIPLES FOR RESPONSIBLE INVESTMENT**

# Annual Report 2019

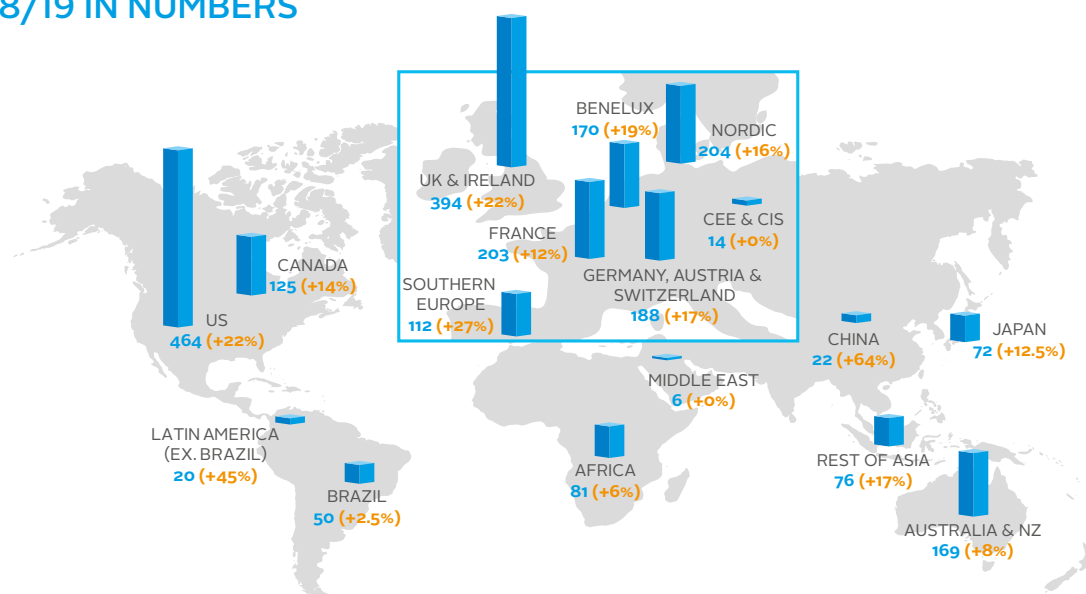
THIS ANNUAL REPORT SETS OUT HOW OUR WORK OVER THE PAST YEAR CONTRIBUTES TO THE GOALS OF OUR 10-YEAR [BLUEPRINT FOR RESPONSIBLE INVESTMENT](#)



## FOREWORD

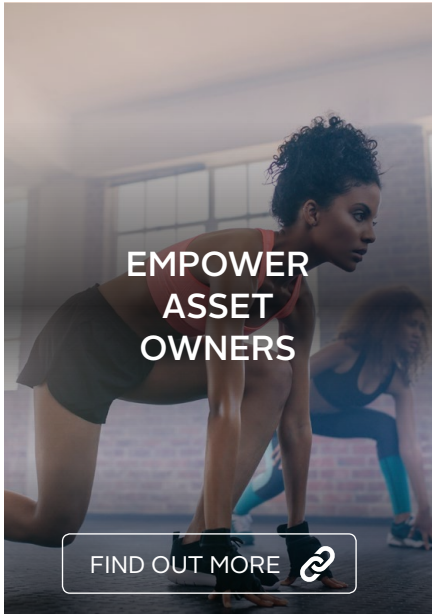
The PRI will continue to guide, support and represent signatories to the six Principles, but as ever the real work is done by our signatories themselves. This international community of forward-thinking investors continues to drive responsible investment forwards. We look forward to making more progress together in the years ahead.

## 2018/19 IN NUMBERS




[FIND OUT MORE](#)





**EMPOWER  
ASSET  
OWNERS**

FIND OUT MORE 



**SUPPORT INVESTORS  
INCORPORATING  
ESG ISSUES**

FIND OUT MORE 



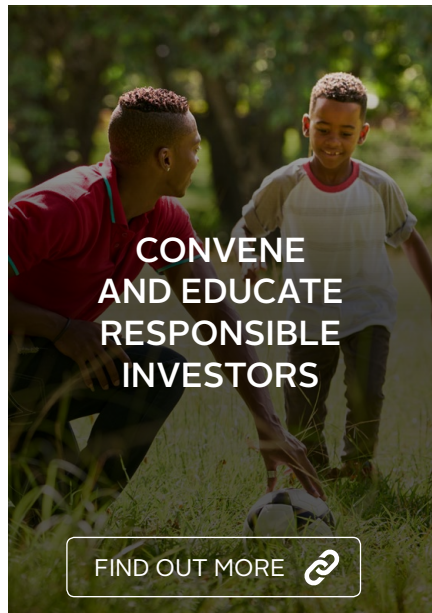
**FOSTER A  
COMMUNITY OF  
ACTIVE OWNERS**

FIND OUT MORE 




**SHOWCASE  
LEADERSHIP  
AND INCREASE  
ACCOUNTABILITY**

FIND OUT MORE 



**CONVENE  
AND EDUCATE  
RESPONSIBLE  
INVESTORS**

FIND OUT MORE 



**CHALLENGE  
BARRIERS TO A  
SUSTAINABLE  
FINANCIAL SYSTEM**

FIND OUT MORE 



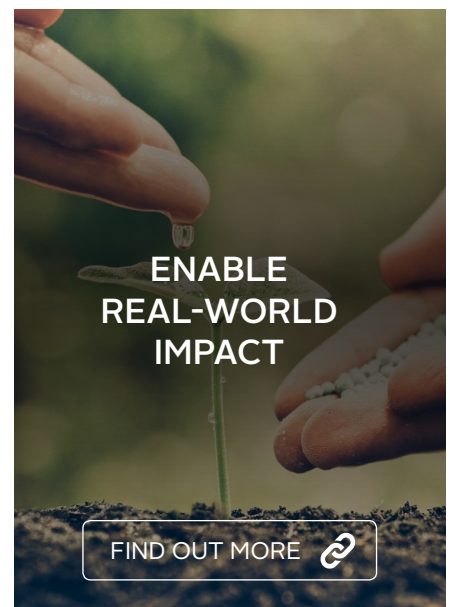
**DRIVE  
MEANINGFUL DATA  
THROUGHOUT  
MARKETS**

FIND OUT MORE 




**CHAMPION  
CLIMATE  
ACTION**

FIND OUT MORE 



**ENABLE  
REAL-WORLD  
IMPACT**

FIND OUT MORE 



### ENHANCE OUR DIGITAL CAPACITY

We launched a new website rebuilt from the ground up on a professional-grade publishing platform, to better drive content towards signatories and other stakeholders.



### ENHANCE OUR GLOBAL FOOTPRINT

More experienced relationship managers and a tiered relationship management system are enabling better understanding of our signatory base, thus enhancing the service we can provide to signatories.



### DEVELOP OUR STAFF

After more than 10 years in operation, the PRI is more mature in many areas – including as an employer. We are increasingly seen as a desirable place to work.



### FINANCIAL STATEMENTS



### BOARD REPORT



### IN-HOUSE SUSTAINABILITY



### NEW AND FORMER SIGNATORIES

# FOREWORD

From PRI Chair Martin Skancke and PRI CEO Fiona Reynolds



We have been tackling some major new projects this year to address some of the biggest challenges facing the world today.

On climate change, our [Inevitable Policy Response](#) programme will model – for investors, corporates and regulators – the abrupt, forceful and disruptive policy response that will come from governments around the world as they are forced to take action by climate change's effects on everything from food production to migration and national security. Momentum behind the FSB's [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) continues to build, with the number of supporting organisations and volume of disclosure both growing. As PRI Chair, I have been pleased to sit on the task force as part of the PRI's contribution to the TCFD.

We have also been working with [The Liechtenstein Initiative for a Financial Sector Commission on Modern Slavery and Human Trafficking](#). Over 40 million people were enslaved in 2016, and modern slavery and human trafficking touch the financial sector in a number of ways: through their transnational supply chains, through laundering illicit profits and through investments to businesses that engage in this form of exploitation. As PRI CEO, I have been honoured to chair the commission, which aims to put the financial sector at the heart of global efforts to end these practices.

As we continue to work across the areas identified in our 10-year [Blueprint for responsible investment](#), much of our thinking this year has been underpinned by a particular focus on Action 7: "Drive meaningful data throughout markets". Reliable, timely information is needed for beneficiaries to understand and influence their investments, for asset owners to monitor their managers and for investment managers to accurately price assets and assess risk. We have been considering what makes data "meaningful", how we can work towards a system of global, comparable and integrated corporate sustainability data and how to standardise investment manager reporting to asset owners.

Just as with climate change and modern slavery, these data challenges are complex, market-spanning problems that will require collaborative, global solutions. National and regional partnerships of investors and policy makers are the best approach to exploring a more sustainable financial system, so we have worked with the European Commission's high-level and technical expert groups on sustainable finance, as well as equivalent groups in Canada and Australia. We are proud to be part of bringing the investor voice to these important global developmental efforts.

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## QUALITY AND CONSISTENCY BREED USEFULNESS

One of the most prominent results from our [consultation with asset owners](#) last year was the desire for the PRI to do more to drive better ESG data, including through convergence of reporting standards. Sustainability reporting is a very crowded field, but we feel that over the past year we are starting to make progress in what will be a long process.

The main objective is to ensure that corporate ESG data allow investors to make informed investment and ownership decisions. There are many existing reporting standards ([GRI](#), [SASB](#), [TCFD](#), [CDP](#), [ISO](#), [IIRC](#) and many others), which cover a number of investors' needs, but the market is calling for greater coherence and consistency between frameworks.

To make the data that's in markets more useful to investors, investors themselves need to be engaged in discussions around corporate reporting. To engage signatories in the topic, we have set up the [Corporate Reporting Reference Group](#), and are working in collaboration with six other investor groups ([CERES](#), [CFA](#), [GIIN](#), [GSIA](#), [ICGN](#) and [UNEP FI](#)) to feed an investor perspective into the [Corporate Reporting Dialogue](#).

Beyond corporate reporting, we need to consider how data is used throughout the investment chain – and how the PRI can most effectively contribute to progress. To make ESG reporting mainstream across the financial industry, should we focus on producing PRI guides – spreading informal standards, should we develop the PRI Reporting Framework towards being a formalised reporting standard or should we work to incorporate ESG considerations into existing mainstream financial reporting? These are important questions. They are not mutually exclusive, and as always signatories will be key to answering them. We have already been consulting with signatories on a [review of the Reporting Framework](#) – the first wholesale review of the framework since its launch in 2012.

Beneficiaries/savers/clients also want to know how their money is being invested, and with increasing individual choice due to market changes such as the rise of direct contribution schemes, many will need tools to help them make informed decisions. We must consider if the PRI also has a role to play here – in exploring how asset owners should report back to beneficiaries and clients on where their money is going.

## IMPACT IN THE REAL WORLD

Beyond the need to improve how the financial relevance of ESG issues is captured throughout the market, asset owners and investment managers increasingly need to better demonstrate the impact that their investment decisions have in the real world.

A key part of our work here is our involvement in the [Impact Management Project](#), which is working to build global consensus on how to measure, report, compare and improve impact performance. It seeks to define impact by looking at: what kind of impact is being achieved, who benefits, what is the scale and additionality of the impact and what risks/trade-offs does the impact come with. Including information on real-world impact has to be an important part of making sustainability data “meaningful”

The [Sustainable Development Goals \(SDGs\)](#) provide a globally agreed framework for considering these real-world impacts. While the majority of our work across ESG incorporation, active ownership and a sustainable financial system flows through to impact these issues, there has also been demand from signatories for the PRI to provide support on what the SDGs as an explicit framework mean for them. One part of our work to do this, following a successful trial in Brazil this year, will be a series of SDG investment forums, bringing together the private and public sector to better understand the investment opportunities that the SDGs present, and the wider developmental role investors can play by being a part of them.

## A GROWING, GLOBAL NETWORK

It has been another year of healthy growth for the signatory base as a whole – indeed with a more than 20% rise in signatory numbers, 2018/19 saw the greatest increase in the signatory base since 2010/11. This included 69 new asset owner signatories, with growth particularly strong in the UK (12 new asset owners), the US (11), the Netherlands (eight) and across Southern Europe (eight).

There is also growing diversity in the signatory base, encompassing variety in location, size and type of investor – new areas of asset owner growth this year include increasing numbers of corporate pension funds, insurance providers, public treasuries and central banks.

Building our capacity to support this growing, divergent signatory base has been a priority this year. We have continued to expand the number of signatory relations staff that we have around the world, including establishing a presence in Southern Europe and Latin America (having expanded our coverage into China, Benelux and Australia the year before). We also continue to expand the [range of languages](#) in which our resources are available.

Growth in signatory numbers must be met with increasing focus on what it means to be a signatory. We have been pleased to see that in the first year since introducing minimum requirements for our investor signatories, 69% of the signatories that we engaged with for not meeting the new standards have met the minimum requirements this year. (As well as being crucial to our own accountability work, this is a promising example of a broader theme: engagement works. In the realm of investor-company engagement, an important part of our work next year will be moving beyond measuring quantity of engagement to examine its effectiveness in achieving real-world change.)

## FORWARDS TOGETHER

The PRI will continue to guide, support and represent signatories to the six Principles, but as ever the real work is done by our signatories themselves. Through direct contributions to PRI projects, as well as in their own responsible investment work, this international community of forward-thinking investors continues to drive responsible investment forwards, and for that we thank you sincerely.

We look forward to making more progress together in the years ahead.

**Martin Skancke, Chair**

**Fiona Reynolds, CEO**

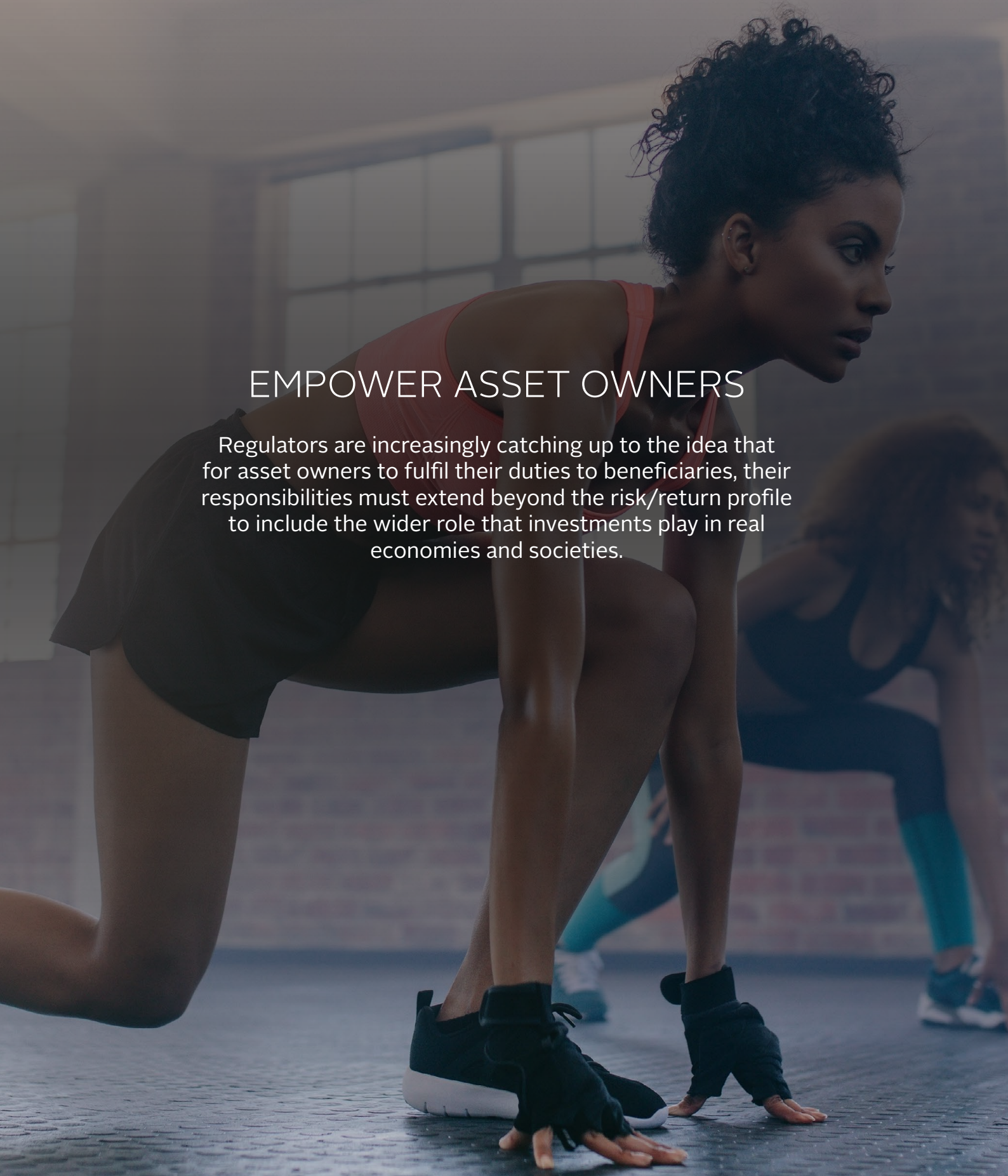
Our signatories are extremely active in supporting the PRI's work – nearly 600 individuals are currently contributing to PRI work through advisory committees and working groups.

**BROWSE ALL ADVISORY COMMITTEES  
AND WORKING GROUPS**



## EMPOWER ASSET OWNERS

Regulators are increasingly catching up to the idea that for asset owners to fulfil their duties to beneficiaries, their responsibilities must extend beyond the risk/return profile to include the wider role that investments play in real economies and societies.





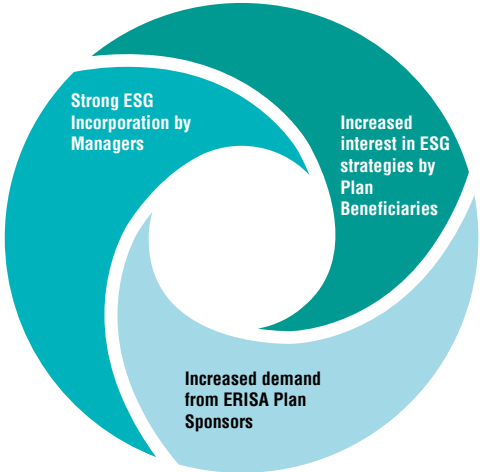
# EMPOWER ASSET OWNERS

Heading the investment chain, asset owners wield enormous power and influence

Regulators are increasingly catching up to the idea that for asset owners to fulfil their duties to beneficiaries, their responsibilities must extend beyond the risk/return profile to include the wider role that investments play in the real economies and societies in which beneficiaries live. Moves from the European Union (EU), and at national level in the UK, are amongst the most high-profile examples of new requirements being put on pension funds to disclose how they are considering ESG issues.

In the US market, we have researched direct contribution schemes under ERISA, [exploring ESG incorporation's ongoing shift](#) from a marginal to mandatory practice, and providing recommendations for plan sponsors on how to fully integrate ESG factors into investment strategies.

### ESG incorporation positive feedback loop (ERISA plans and ESG incorporation)



## TOOLS

### SUPPORTING MANAGER EVALUATION AND DIALOGUE

We've continued to expand our selection of tools for asset owners, most recently extending our [range of due diligence questionnaires](#), which now cover private equity, hedge funds, infrastructure, private debt, farmland, forestry and

real estate. These support asset owners in establishing how well-aligned an existing or prospective manager is to their responsible investment ambitions.



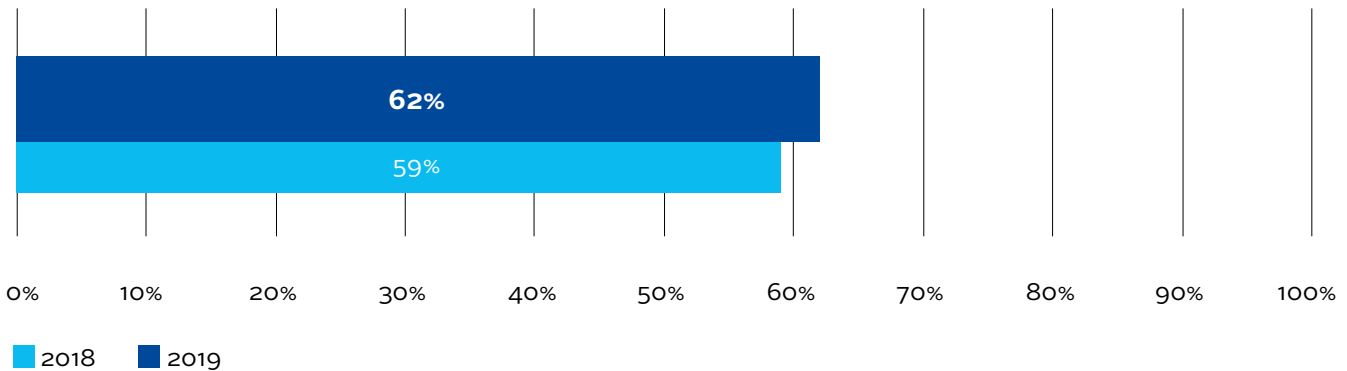
EXPLORE OUR RANGE OF RESPONSIBLE INVESTMENT DDQS

## KEY TARGETS

Asset owner signatories incorporating ESG issues into all stages of the manager selection, appointment and monitoring processes: 62%  
(PRI target: 75%)

Asset owner signatories typically implementing ESG requirements in contracts (e.g. RFPs, IMAs, LPAs): 69%  
(PRI target: 50%)

### Asset owner signatories\* considering responsible investment at all stages of selecting, appointing and monitoring managers



\*that use external managers

### SUPPORTING BOARD-LEVEL STRATEGIC REVIEW

Throughout 2017/18 we've been piloting a new tool to help trustees to identify and discuss ESG issues. Despite setting an overall responsible investment policy, less than half of asset owner signatories include specific guidelines on environmental and social issues in their policies and, in many cases, investment mandates lack detail on explicit ESG expectations.

Our [RI Review Tool](#) includes an online survey that enables each board member to give their views before a board meeting on the significance of ESG issues and how their fund addresses them. This will generate a summary of responses to discuss, compare against current practice and identify actions to take. We will also offer the option of a PRI-led workshop to facilitate discussions.

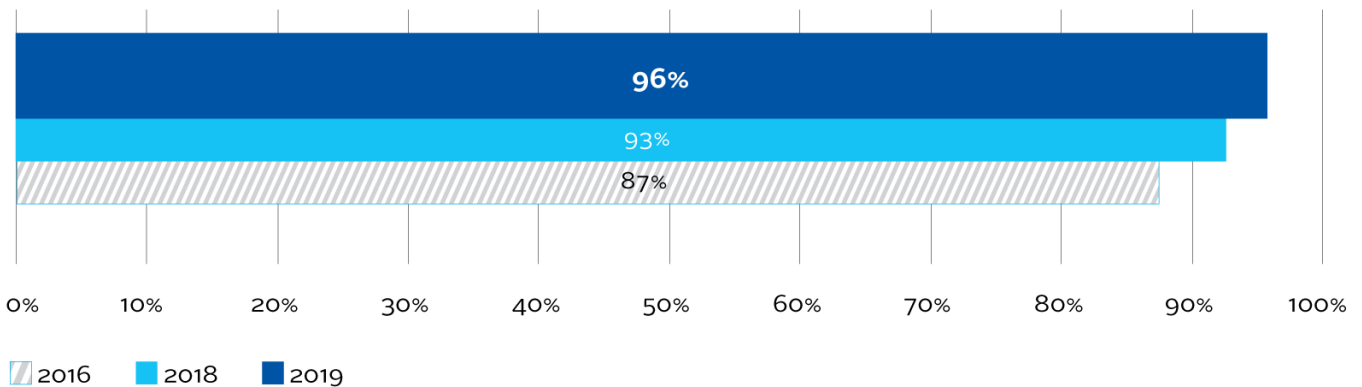


[READ MORE ABOUT THE RI REVIEW TOOL](#)

## KEY TARGETS

Asset owner signatories having a mission, strategy or investment policy referencing responsible investment (or a related concept) that covers the majority of their AUM: 96%  
(PRI target: 85%)

**Asset owner signatories having a mission, strategy or investment policy referencing responsible investment\* that covers the majority of their AUM**



\*(or a related concept)

## CLIMATE ACTION GUIDANCE

Asset owners need high-quality and timely data on climate-related risks to help guide them through the energy transition. The recommendations from the FSB's [Taskforce on Climate-Related Financial Disclosures \(TCFD\)](#) provides a global framework for translating non-financial climate information into financial metrics, but what would adopting the TCFD recommendations mean in practice for asset owners?

The PRI [Asset owner guide to the TCFD recommendations](#) provides:

- actions for asset owners;
- examples of peer's practice;
- questions to ask consultants or fund managers;
- climate scenarios.



**READ AN ASSET OWNER GUIDE TO THE TCFD RECOMMENDATIONS**

Read more about our work on climate change under: [Action 8: Champion climate action](#)

## A GROWING, ACTIVE COMMUNITY

Providing resources is just one part of what we bring to asset owner signatories. Opportunities for asset owners to come together, to share experiences and resolve issues collaboratively, are equally valuable, so we have worked in the past year to ensure that our events calendar includes space for asset owner-exclusive discussion. Asset owner-only events at PRI in Person San Francisco, and a series on climate have been well attended and received.

Our asset owner community continues to grow. A further 69 asset owners [signed the Principles in 2018/19](#), with growth particularly strong in the UK (12 new signatories), the US (11), the Netherlands (eight) and across Southern Europe (eight). Among the new joiners were LGPS Central and National Grid PS in the UK, AG2R (France), Novartis PF (Switzerland), PenSam (Denmark), City of Chicago and Illinois State Treasury in the US, AFP Cuprum (Chile), AFP Prima (Peru), GPF Thailand, AIA (Hong Kong), and Meiji Yasuda (Japan).

### ASSET OWNERS TELL US THAT AMONGST THE THINGS THEY VALUE ABOUT THE PRI ARE:

- global nature
- work across environmental, social and governance
- work across asset classes
- involvement in global decision-making
- convening power
- UN link
- accountability (via PRI reporting)

**All of our resources for asset owners can be found in a dedicated section of our website.**

[EXPLORE](#)



## SUPPORT INVESTORS INCORPORATING ESG ISSUES

Our biggest ESG incorporation projects in 2017/18 have been focused on driving ESG considerations out of the niche of self-identified responsible investors, and into the mainstream investment market.



# SUPPORT INVESTORS INCORPORATING ESG ISSUES

Environmental, social and governance issues affect investment performance across companies, sectors, regions and asset classes

Achieving our [Mission](#) for an “economically efficient, sustainable global financial system [that] benefits the environment and society as a whole” relies on investors right across the industry taking account of ESG issues in their investments. In addition to continuing to deepen signatory practice on incorporating ESG issues into investment processes, our biggest ESG incorporation projects in 2017/18 – with CFA and on credit ratings – have been focused on driving ESG considerations out of the niche of self-identified responsible investors, and into the mainstream investment market.

## WORKING WITH CFA

We collaborated with CFA Institute to host workshops that drew in investment professionals from CFA's extended network across 17 markets. Attendees came from right throughout the finance industry, well beyond the core ESG practitioner typical to most PRI events. The programme resulted in a suite of [ESG integration guides](#) for listed equity and fixed income investments, more than 30 case studies, and – vitally – new relationships between the PRI and local CFA societies. CFA also released a position statement saying that it believes ESG integration is consistent with fiduciary duty.



[READ GUIDANCE AND CASE STUDIES FOR ESG INTEGRATION: EQUITIES AND FIXED INCOME](#)

Explore the regional reports:

[EMEA](#)

[AMERICAS](#)

[ASIA PACIFIC](#)

We have also collaborated with CFA, through expertise and endorsement, to integrate ESG into their accreditation programme.

Read about our work on training for investment professionals under

[Action 5: Convene and educate responsible investors](#)

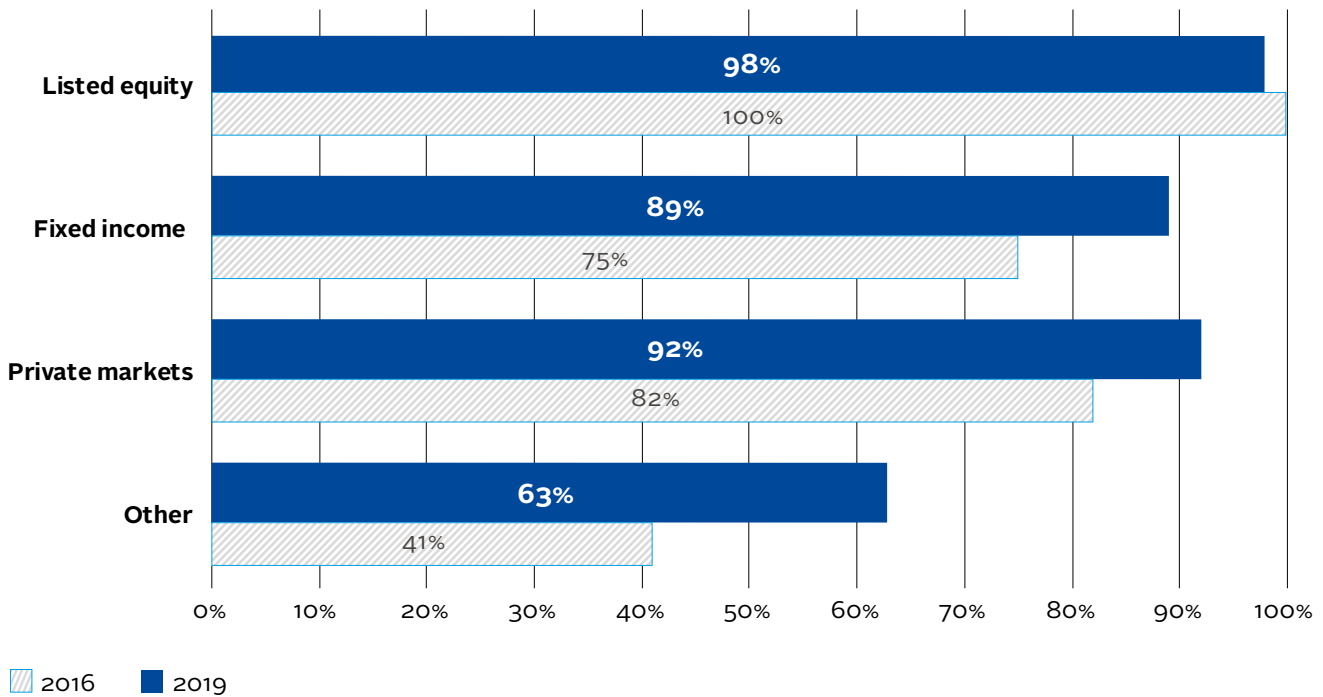
## KEY TARGETS

Signatories incorporating ESG issues in listed equity investments: 96% (PRI target: 100%)

Signatories incorporating ESG issues in other asset classes: 83% (PRI target: 80%)



**Signatories incorporating ESG issues (to any extent)**



**ESG IN CREDIT RATINGS**

The [ESG in Credit Ratings](#) initiative goes from strength-to-strength. The statement committing to incorporate ESG into credit ratings and analysis in a systematic and transparent way has been signed by more than 150 institutional investors (representing US\$30trn of AUM) and 19 credit rating agencies. Having started out as an exploratory project, it has now spurred the largest agencies into action in a dramatic way, and they are actively vying for industry leadership in the area.

We have convened 20 forums targeting credit analysts in 16 countries, and this year we completed our three-part series of reports by publishing [ESG, credit risk and ratings: part 3 – from disconnects to action areas](#), which explores the emerging solutions to the areas of misalignment between investors and rating agencies identified by the previous reports.



**MATERIALITY OF ESG FACTORS**

**CREDIT-RELEVANT TIME HORIZONS**

**ORGANISATIONAL APPROACHES TO ESG**

**TRANSPARENCY AND COMMUNICATION**

Investor to rating agency disconnects identified at the start of the ESG in Credit Ratings initiative

[EXPLORE THE ESG IN CREDIT RATINGS INITIATIVE](#)

**PRIVATE DEBT**

Also in fixed income, we looked at how responsible investment can be applied to the emerging area of private debt, through an introductory report, several case studies and a due diligence questionnaire.

[EXPLORE OUR PRIVATE DEBT RESOURCES](#)

## PRIVATE EQUITY

This year we published the [monitoring](#) portion of our three-part project to cover limited partners' selection, appointment and monitoring of general partners.



**LP RESPONSIBLE INVESTMENT  
DDQ: AND HOW TO USE IT**



**INCORPORATING RESPONSIBLE  
INVESTMENT REQUIREMENTS  
INTO PRIVATE EQUITY FUND  
TERMS**



**ESG MONITORING, REPORTING  
AND DIALOGUE IN PRIVATE  
EQUITY**

We have also worked extensively with partner organisations in private equity, including: endorsing French PE initiative ic2o; working with ILPA on their Principles 3.0, model LPA document and PortCo Monitoring Template; and contributing to the G20 Sustainable Finance Study Group on the role of private equity and venture capital in catalysing sustainable investment.

[EXPLORE OUR PRIVATE EQUITY RESOURCES](#)





## FOSTER A COMMUNITY OF ACTIVE OWNERS

Our work on active ownership is increasingly about focusing on the quality of engagement, rather than just the quantity, and how we can support signatories to see real results from their active ownership activities.

# FOSTER A COMMUNITY OF ACTIVE OWNERS

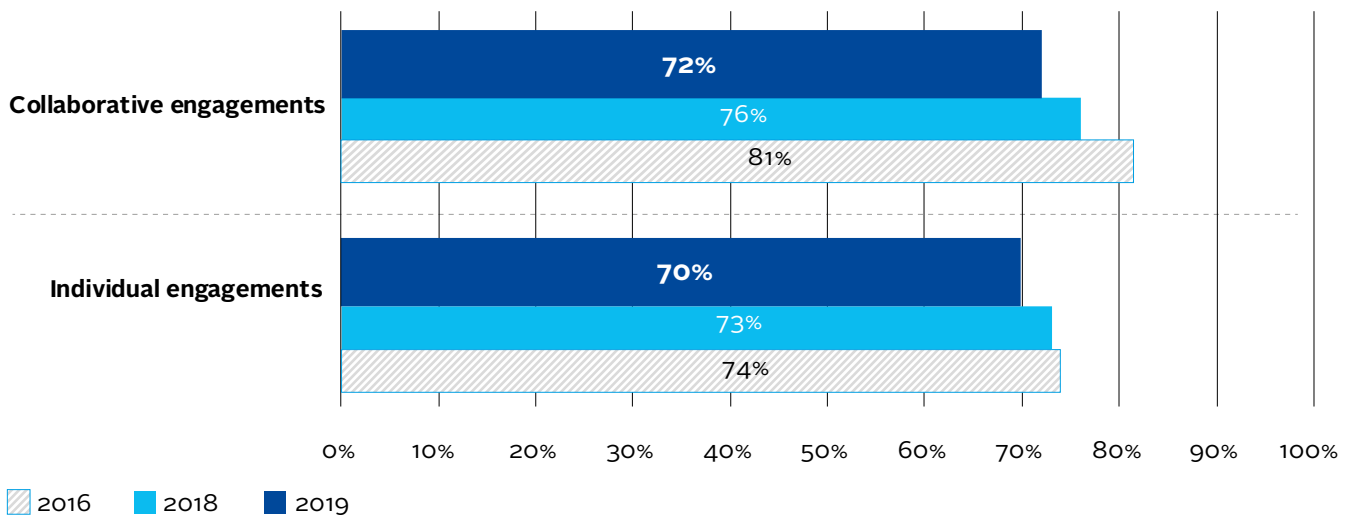
Engaging companies on ESG issues improves their sustainability, their management and their risk/return profiles

Effective engagement has clear objectives and milestones, focuses on the quality of dialogue and sees investors following through on their investment strategy and policies in their proxy voting. Our work on active ownership is increasingly about focusing on the quality of engagement, rather than just the quantity, and how we can support signatories to see real results from their active ownership activities, across all asset classes.

**KEY TARGETS**

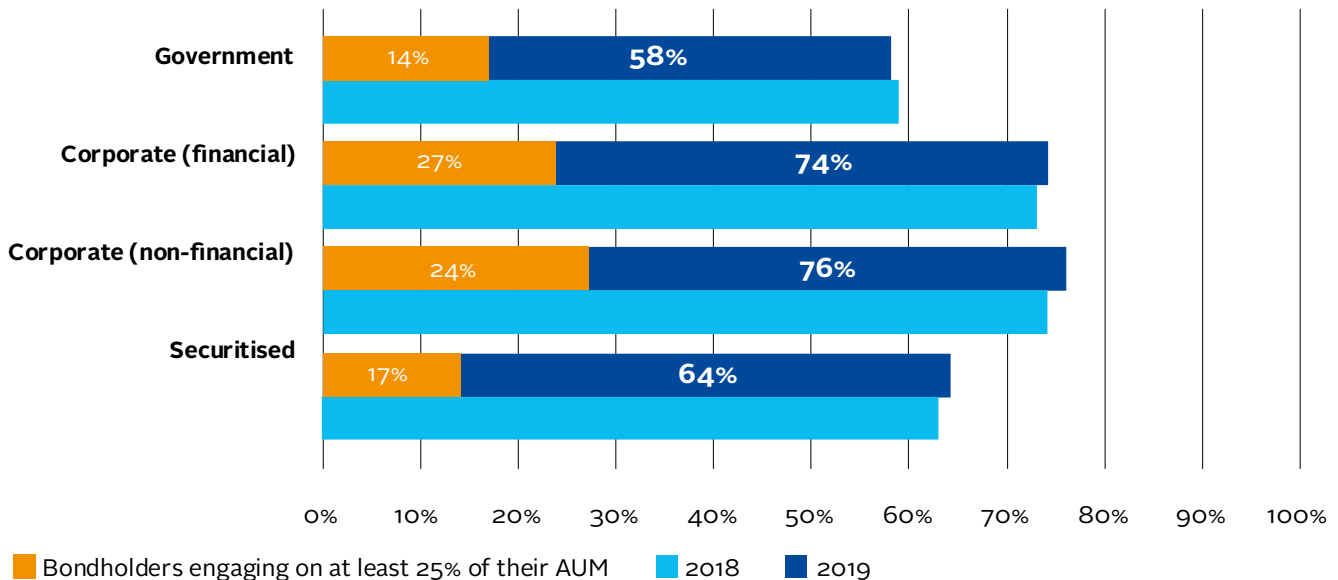
Signatories setting objectives for a majority of their (individual and collaborative) engagement activities: 71% (PRI target: 80%)

## Signatories\* setting objectives on the majority of their engagements



\*that report engagement activities

## Bondholders engaging with issuers



## PRI-COORDINATED ENGAGEMENTS

Using the convening power of our signatory network, we coordinate several in-depth, collaborative engagements between investors and companies on ESG topics that have been highlighted as priorities by signatories. Signatories can participate by leading conversations with assigned companies and reporting back to the group, or by joining calls, signing joint letters and sharing relevant info.

### KEY TARGETS

Companies engaged with as part of a PRI-led engagement improving their overall performance against the initiative's objectives: 96% (PRI target: 85%)

## TWO PRI-COORDINATED ENGAGEMENTS CLOSED IN 2018/19:

### Corporate climate lobbying

# 100%

of companies engaged with improved their scores



Investors are increasingly scrutinising corporate engagement on climate policy, as it plays a critical role in helping governments create practical climate policy solutions.

However, corporate engagement on climate policy is a double-edged sword. Negative and resistant corporate interest, often undertaken through third-parties, can hinder policy action that aims to mitigate the impacts of climate change. This can cause a number of issues for investors including legal and reputational risks, and long-term portfolio volatility.

[READ THE ENGAGEMENT GUIDE](#)

### Human rights in extractive industries

# 93%

of companies engaged with improved their scores



Companies operating in the extractives sector face a multitude of complex human rights issues.

Mining operations typically rely on large quantities of unskilled labour, which can pose human rights risks such as bonded labour, hazardous working conditions and lack of collective bargaining and freedom of association. Oil and gas companies often operate as joint ventures, and while the majors have found ways to impose standards on business partners, this can be challenging for smaller operators.

[READ THE ENGAGEMENT GUIDE](#)

The PRI continues to coordinate a number of collaborative engagements, including being a part of coordinating [Climate Action 100+](#), the largest ever corporate engagement by investors.

**Read more about [Climate Action 100+](#) and the rest of our work on climate change under [Action 8: Champion climate action](#)**

Other PRI-coordinated collaborative engagements include:

- Climate change transition for oil and gas
- Methane
- Water risks in agricultural supply chains (phase 2)
- Investor working group on sustainable palm oil
- PRI-Ceres Investor Initiative for Sustainable Forests
- Labour practices in agricultural supply chains (phase 2)
- Responsible sourcing of cobalt
- Corporate tax responsibility
- Cyber security

### FOCUS ON: CYBER SECURITY (ONGOING ENGAGEMENT)

Cyber security risk is real and pervasive, as demonstrated by recent attacks that have shaken big banks, web service providers, the UK's National Health Service and even the US intelligence community. The business case to engage with companies on this topic is clear-cut: incidents can cripple business operations, become legal and regulatory risks and have adverse impacts on portfolio company valuation and earnings.

[READ THE RESEARCH PAPER](#)

## PRI COLLABORATION PLATFORM

The [PRI Collaboration Platform](#) is a unique private forum that allows signatories to pool resources, share information and enhance their influence on ESG issues. It offers a range of global engagement initiatives that involve listed companies, policy makers and others.

Posts to the PRI Collaboration Platform include:

- invitations to sign joint letters to companies;
- proposals for in-depth ESG research and engagement;
- policy consultations and dialogue;
- requests for support on upcoming shareholder resolutions.

### KEY TARGETS

Change in number of posts to the PRI Collaboration Platform: 17% decrease  
(PRI target: 14% increase)

We are finalising a brand new Collaboration Platform that will provide a secure, private space for investors to share information and organise engagements with companies on the issues that matter to them. New and improved features include: enhanced workspaces and discussion forums, better support across the full lifecycle of initiatives, user messaging, company tracking and a more intuitive, user-friendly navigation and design.



## SHOWCASE LEADERSHIP AND INCREASE ACCOUNTABILITY

For signatory status to be meaningful, and for beneficiaries to see the benefits they are entitled to, we must ensure that signatories are living up to the commitments they make when signing up to the Principles.

# SHOWCASE LEADERSHIP AND INCREASE ACCOUNTABILITY

## A race to the top and a clear rulebook improve results

For signatory status to be meaningful, and for beneficiaries to see the benefits they are entitled to, we must ensure that signatories are living up to the commitments they make when signing up to the Principles. Ensuring that signatories are held accountable empowers us to recognise the leaders, and support those that are lagging behind.

### INCREASING ACCOUNTABILITY

#### MINIMUM REQUIREMENTS

Following growing calls from across the signatory base for more stringent measures, 2017/18 was the first year since we introduced minimum requirements for our investor signatories.

The new standards have been generally well received, both in principle from the signatory base as a whole, and in practice – as a useful mechanism through which to improve – from those that have needed support from the PRI to meet the standard required.

There are currently 69 signatories are on the watchlist for potential delisting.

Number of signatories that the PRI engaged with due to being below the minimum requirements in 2018

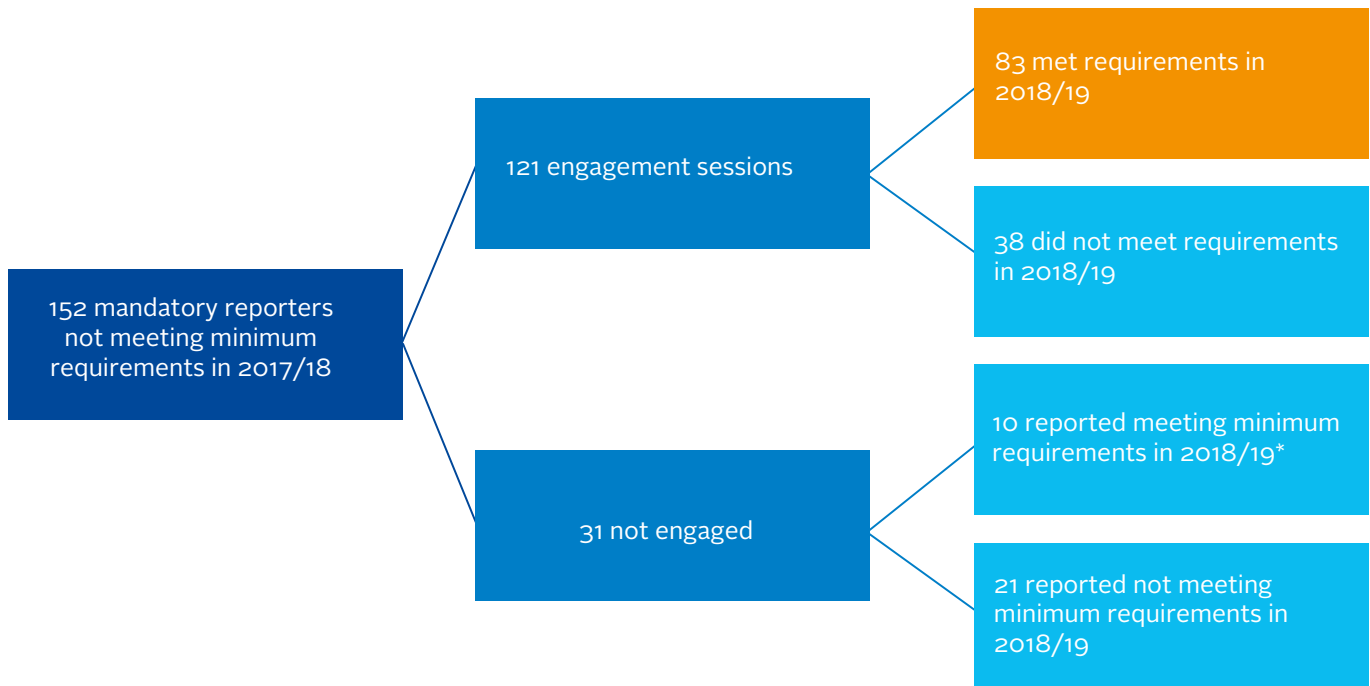
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PRI engagement

$\frac{2}{3}$  + met the requirements in 2019



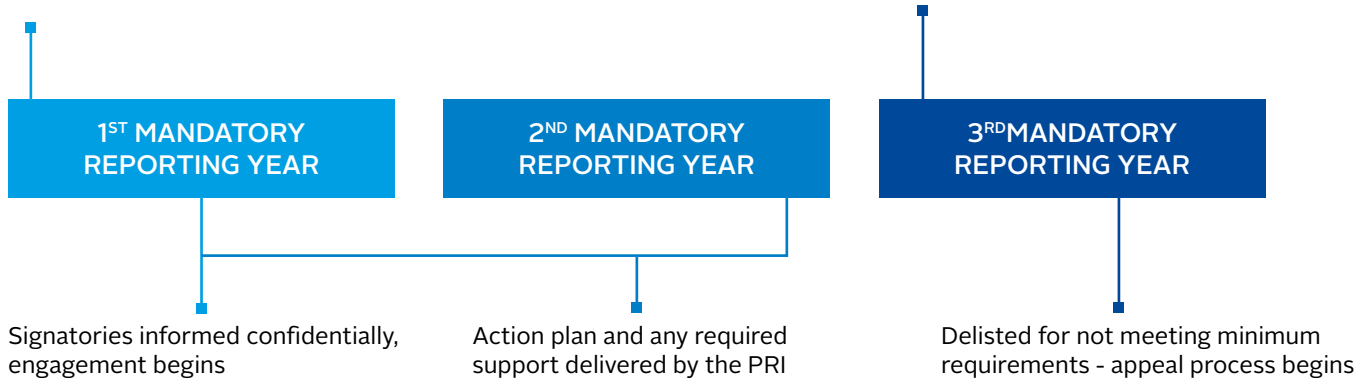
#### Minimum requirements flowchart



With minimum requirements introduced for the 2017/18 reporting cycle, 2019/20 is the first occasion that signatories may be delisted for failing to meet the new standards.

Reported data used to identify signatories not meeting the requirements

Progress evaluated (compared to 1<sup>st</sup> year of reporting)



## SHOWCASING LEADERSHIP

### LEADERS' GROUP

This year we developed the criteria for our inaugural Leaders' Group. The Leaders' Group will showcase signatories at the cutting edge of responsible investment, using scores taken from signatories' Assessment Reports to identify those that are leading the way on a specific aspect of responsible investment each year. It will be accompanied by a report sharing case studies of best practice.

- In 2019, the theme will be selection, appointment and monitoring of external managers.
- In 2020, the theme will be active ownership across asset classes.
- In 2021, the theme will be the SDGs and climate change.



[READ MORE ABOUT THE PRI LEADERS' GROUP](#)

### PRI AWARDS

We have also prepared the first ever PRI Awards. Where the Leaders' Group will assess a signatories' complete activity across that year's theme, the PRI Awards will recognise individually excellent projects conducted by signatories of all sizes, specialisms and levels of development. They will be a great opportunity for all signatories to learn from each other's successes. All the winning and shortlisted case studies will be published on the PRI website, along with commentary from the judging panel on what impressed them most about each project after evaluating them for innovation and impact.

Signatories have been invited to nominate projects across four categories: ESG incorporation, active ownership, ESG research and real-world impact. We will also present an award to the best project submitted by a signatory headquartered in an emerging market.

More than 100 nominations have been received, an independent panel of judges has been selected and the awards will be presented at PRI in Person in Paris in September 2019.

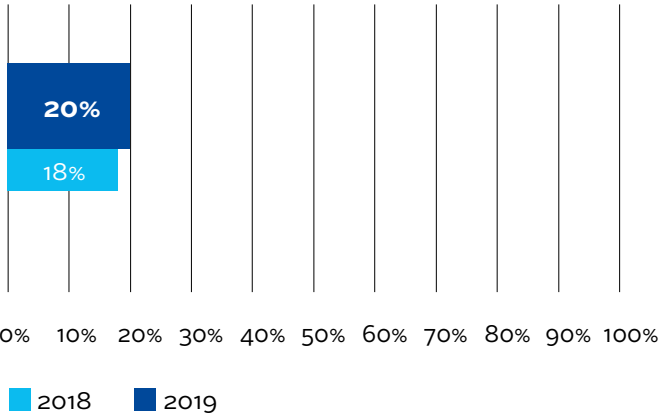


[READ MORE ABOUT THE PRI AWARDS](#)

## VOLUNTARY DISCLOSURE

The willingness of signatories to disclose their responses to voluntary reporting questions is a useful indicator of how active signatories are in some of the more advanced practices covered by PRI reporting. Positively, the number has risen, although at 20% the overall proportion of voluntary indicators being disclosed remains low.

**Percentage of voluntary reporting indicators that signatories chose to publicly disclose**



## REVIEWING THE REPORTING FRAMEWORK

This year we started [consulting signatories](#) on a review of the Reporting Framework – the first wholesale review of the framework since its launch in 2012. The aim of the review is to ensure that PRI reporting and assessment is fit for purpose, remains relevant to evolving responsible investment practices and is useful for signatories and the responsible investment market as a whole.

The consultation started in February 2019 via surveys, workshops and webinars, and covers seven themes: reporting objectives; reporting outputs; assessment; learning and development; outcomes-based reporting and the SDGs; the wider ESG reporting landscape; and how to best support the reporting process.

### KEY TARGETS

Increase in the percentage of voluntary indicators that signatories chose to publicly disclose: 11% (PRI target: 10%)





## CONVENE AND EDUCATE RESPONSIBLE INVESTORS

Connecting signatories with each other, bringing insights from the academic world and providing formal training are all crucial to expanding collective knowledge on responsible investment.

# CONVENE AND EDUCATE RESPONSIBLE INVESTORS

Sharing knowledge, reaching new people and supporting development will benefit everyone

## CONVENE

### PRI IN PERSON

PRI in Person 2018 in San Francisco became the largest ever gathering of responsible investment professionals.



Coinciding with the Global Climate Action Summit that was held simultaneously in the city, climate change was high on an agenda that also took in topics such as cyber security, the rights of indigenous people, overcoming barriers to ESG integration, how and where millennials will invest and many more.

“A great gathering of global thought leaders, pushing the agenda forward.”

Participants were particularly positive about the quality of speakers, which included:

- Al Gore, Former US Vice President and Co-Founder of Generation Investment Management;
- Paul Polman, Unilever CEO;
- Beth Richtman, Managing Investment Director, CalPERS;
- Betty Ye, California State Controller;
- John Chiang, California State Treasurer.
- Kurt Summers, Treasurer of the City of Chicago;
- Debbie McCoy, Managing Director and Head of Sustainable Investing, Systematic Active Equity, BlackRock;
- Catherine Howarth, CEO, ShareAction.



Many attendees also expressed a preference for smaller breakout sessions over large plenaries, however. Evening events were particularly well-received as opportunities to bring people together.

“PRI in Person was a good place to extend my connections beyond my immediate peers in the industry.”

## KEY TARGETS

PRI in Person participants rating the conference as “good” or “excellent”: 86%  
(PRI target: 85%)



## CLIMATE FORUM SERIES

More than 1,350 people attended our global series of PRI Climate Forums.

Read more about this and our other work on climate change under [Action 8: Champion climate action](#)

## KEY TARGETS

Signatories attending at least one PRI event (excluding PRI in Person): 29%  
(PRI target: 50%)

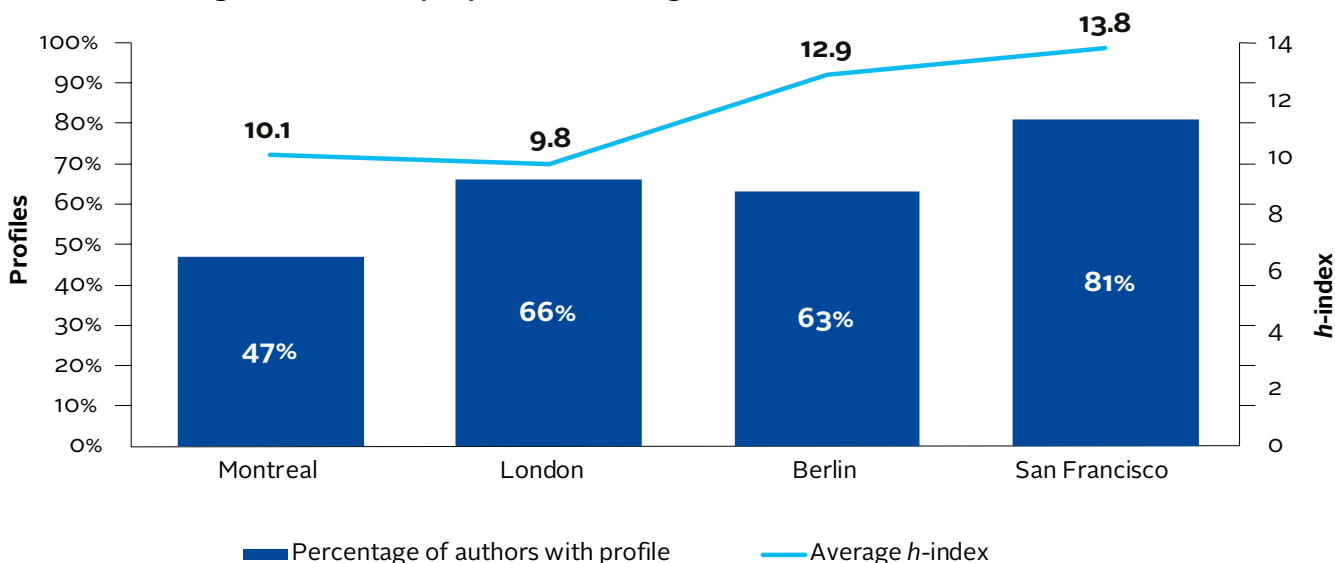
# EDUCATE

## ACADEMIC NETWORK

The PRI Academic Network aims to address investor challenges by collaborating with academic partners on getting usable practitioner insights from academic research. Academics are increasingly interested in collaborating with us, and with the valuable market insights held in PRI data.

We profiled [18 papers](#) at the 2018 Academic Network Conference, out of 80 submissions to our annual call for papers. The call for papers is not only attracting wide interest, but also authors of increasingly high quality. Comparing across recent Academic Network Conferences shows a trend for authors being increasingly established, better published and more widely cited.

Authors with Google Scholar or Scopus profile, and average h-index



### PRI-FUNDED RESEARCH PROJECTS

#### Why and how investors can respond to income inequality

Institutional investors are increasingly realising that income inequality – the gap in income and wealth between the very affluent and the rest of society – has become one of the most noteworthy socioeconomic issues of our time. It has the potential to negatively impact institutional investors' portfolios as a whole; increase financial and social system-level instability; damage output and reduce economic growth; and contribute to the rise of populism, extremism, isolationism and protectionism.



[READ THE RESEARCH PAPER](#)

#### Climate change and the just transition: a guide for investor action

The shift to a resilient, low-carbon economy will boost prosperity and be a net driver of job creation, but there will be transitional challenges – for workers, communities and countries. Yet there is increasing recognition that investors have so far given insufficient attention to the social consequences of climate change. As fiduciaries, investors can make an important contribution to achieving a just transition – as stewards of assets, allocators of capital, and as influential voices in public policy.



[A guide for investor action](#)

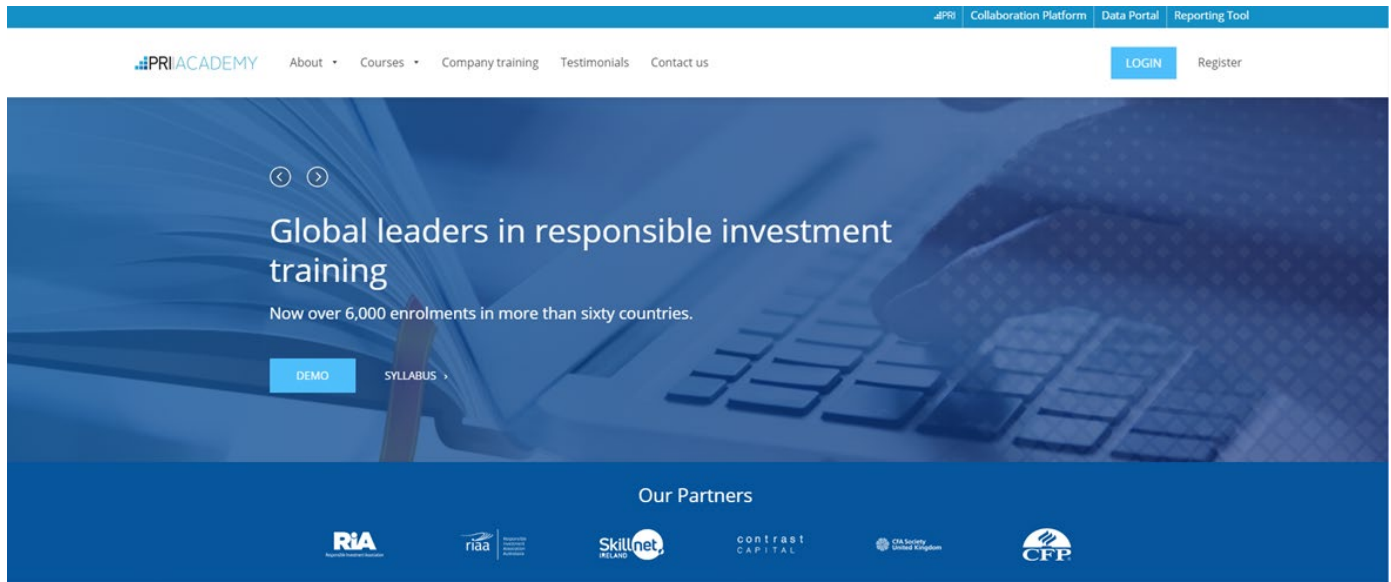
**Climate change and the just transition**

[READ THE RESEARCH PAPER](#)

## PRI ACADEMY

As beneficiary, client and regulatory demand for investors to address ESG factors has continued to grow, an increasing challenge for investors is to ensure that they have the requisite knowledge throughout their organisation to meet this demand.

Dedicated responsible investment training, designed for investment professionals, is a key part of this. This year we have comprehensively updated the PRI Academy courses, incorporating the latest best practice and adding case studies across the E, S and G spectrum – on BP, Facebook and Volkswagen.



Behind the scenes, platform enhancements mean that from now on course content will be able to be updated more regularly, as changes can now be made without affecting existing users.

Enrolments in PRI Academy courses continue to increase, albeit only modestly this year at 6% growth over the record high seen in 2017/18 (of which more than 40% came from a single 800-strong group enrolment). Group enrolments (10 or more enrolments from one organisation) continue to be a significant source of trainees, accounting for 70% of all sales.

Large group enrolments also enable content to be customised to an organisation, adding value to enrolled organisations by integrating company-specific elements into the courses, and reflecting the courses in companies' internal learning and development libraries.

[EXPLORE PRI ACADEMY](#)

### KEY TARGETS

Increase in PRI Academy enrolments: 6%  
(PRI target: 20%)

Satisfaction rating for PRI Academy courses: 78%  
(PRI target: 85%)

### COLLABORATING WITH CFA

The PRI Academy also collaborated with CFA UK to help them launch their *Certificate in ESG Investing*. The Certificate will be the first formal qualification on ESG investing available sector-wide to investment professionals in the UK. Collaborating with CFA UK on this qualification promotes responsible investment across the mainstream investment industry, and allows for aligned messaging and consistent terminology, helping to standardise responsible investment in the work of investment professionals.



[READ MORE ABOUT CFA'S  
CERTIFICATE IN ESG INVESTING](#)



## CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM

As awareness of sustainability's importance to financial systems has grown, recent years have seen the proliferation of sustainable finance expert groups around the world. Supporting these national and regional partnerships of investors and policy makers has been a key part of our work to create a more sustainable financial system.

# CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM

Creating long-term value requires a sustainable global financial system

As awareness of sustainability's importance to financial systems has grown, recent years have seen the proliferation of sustainable finance expert groups around the world. Supporting these national and regional partnerships of investors and policy makers has been a key part of our work to create a more sustainable financial system.

## EXPERT PARTNERSHIPS

The best known of these initiatives is the European Commission's. Having been an international observer to the High-Level Expert Group (HLEG) on sustainable finance, which delivered its [recommendations](#) in January 2018, we have been working as a key member of its successor, the Technical Expert Group (TEG) tasked with developing: a [taxonomy](#) for whether an economic activity is environmentally sustainable, a green bond standard, methodologies for climate benchmarks and guidance to improve corporate disclosure.



READ MORE ABOUT THE [EU ACTION PLAN FOR FINANCING SUSTAINABLE GROWTH](#)

In January 2019, we responded to a consultation from the [Canadian Expert Panel on Sustainable Finance](#), and supported the research process with a survey of PRI signatories. In Australia, we have provided climate and policy expertise to the Australasian Sustainable Finance Initiative since its formation in March 2019.

## SHAREHOLDER RIGHTS IN THE US

Our US policy priority is to protect investors' rights to engage the companies they own on ESG matters through the shareholder proposal process. Rule changes under consideration would dramatically increase the value of shares investors must own to be eligible to submit a proposal, or the portion of the vote a proposal must win to be resubmitted in subsequent years. Further changes under consideration by the SEC would impose onerous regulations on proxy advisory firms.

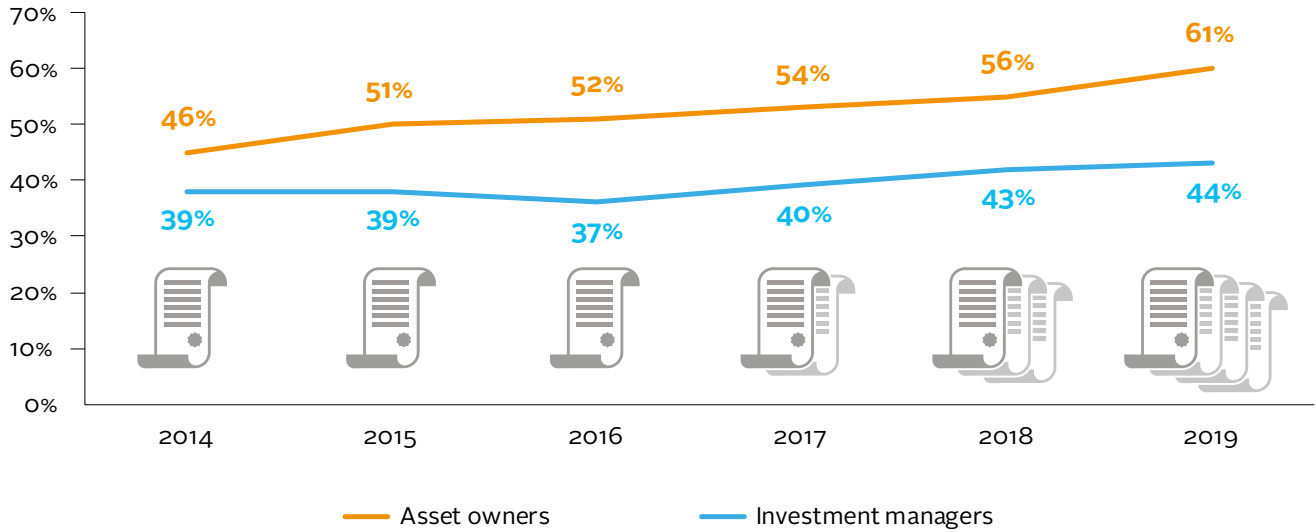
In October 2018, we [supported](#) an SEC petition from a group of institutional investors (managing more than US\$5 trillion) and professors, urging the Commission to develop a comprehensive framework requiring issuers to disclose identified ESG aspects of each public-reporting company's operations.

## GLOBAL POLICY ENGAGEMENT PROGRAMME

We continue to engage with policy makers around the world, with a particular focus in the last year on the US, European Union, China and the UK.

KEEP UP-TO-DATE WITH OUR CONSULTATION WORK

### Signatories engaging with policy makers







## DRIVE MEANINGFUL DATA THROUGHOUT MARKETS

Reliable, timely information is needed for beneficiaries to understand and influence their investments, for asset owners to monitor their managers and for investment managers to accurately price assets and assess risk.

# DRIVE MEANINGFUL DATA THROUGHOUT MARKETS

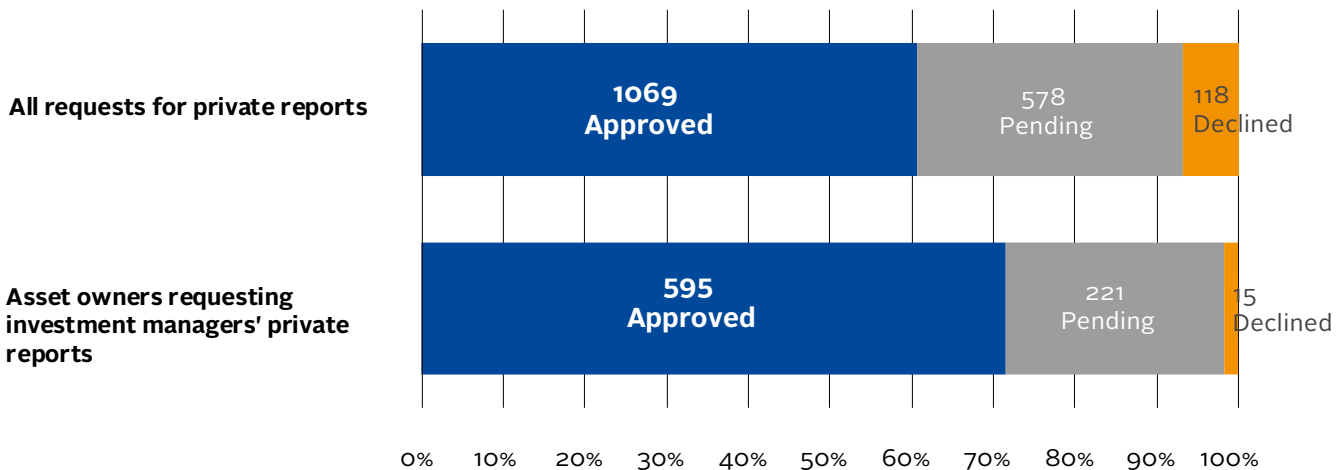
Good decisions need good data

## DRIVING PRI DATA

The [PRI Data Portal](#) is our key tool for driving our own data through markets. Now an established platform following its launch in 2017, we have done a lot of work this year on increasing signatories' use, including webinars and tutorials on how to use it, tailored emails to signatories and demonstrations at PRI in Person.

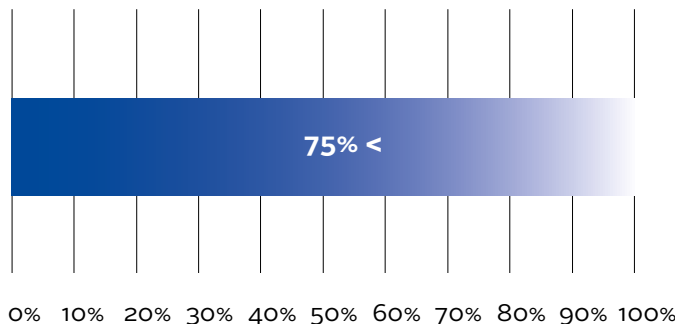
All of this has seen a significant increase in activity, with the number of requests from asset owners to see investment managers' reports rising to 831 in 2018/19 (from 475 in 2017/18), and, crucially, the proportion of requests being approved rising to 72% from 56%.

### Requests to view private reports on the PRI Data Portal



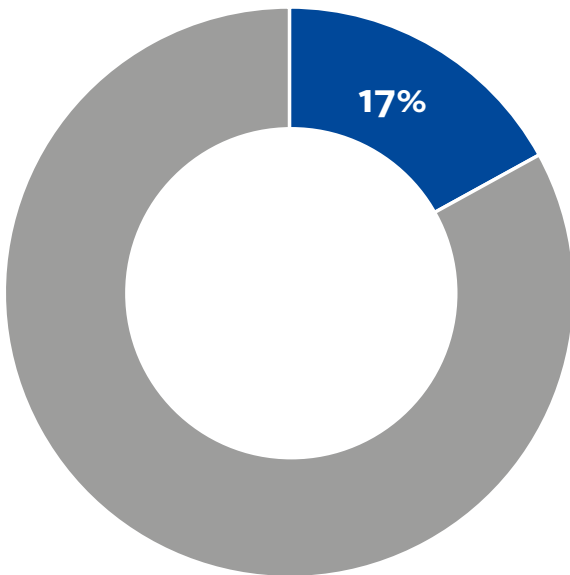
There is clearly room for improvement in the breadth of usage, however. While three-quarters of signatories have had their publicly available reports viewed by another signatory on the PRI Data Portal (and public reports are also available on the PRI website), looking at a more targeted use of the data we see that amongst asset owners that use external managers, only 17% have requested private reports from any investment manager signatories.

### Signatories whose public reports have been viewed by other signatories\*



\*Figure relates to views on the PRI Data Portal, but public reports are also available on the PRI website.

**Asset owner signatories\* requesting private reports from investment manager signatories**



■ Yes   ■ No  
\*that use external managers

[LEARN MORE ABOUT THE PRI DATA PORTAL](#)

**DRIVING CONVERGENCE OF STANDARDS**

Increasing the amount of quality data that's available is just one part of enabling data to be used effectively. Another key aspect is to work towards standardisation of reporting, including convergence of the plethora of existing standards.

**We have set up the [Corporate Reporting Reference Group](#) to bring signatory voices to our efforts to:**

- improve the quality of corporate ESG reporting;
- stimulate convergence of corporate reporting standards;
- contribute to the development of a standard for SDG/impact measurement and reporting;
- support innovations in how ESG issues are incorporated into financial accounting;
- engage with policy makers and regulators.

**CORPORATE REPORTING DIALOGUE**

The [Corporate Reporting Dialogue](#) (CRD) is an initiative designed to respond to market calls for greater coherence, consistency and comparability between corporate reporting frameworks, standards and related requirements. Its Participants are: [CDP](#), [CDSB](#), [FASB](#), [GRI](#), [IASB](#), [IIRC](#), [ISO](#) and [SASB](#).

We are part of an ongoing collaboration with six other investor groups ([CERES](#), [CFA](#), [GIIN](#), [GSIA](#), [ICGN](#) and [UNEP FI](#)) to feed in an investor perspective. The group has published a [discussion paper](#), which has been well received by the CRD, as well as by the European Commission (as part of the preparation for the review of the Non-Financial Reporting Directive) and regulators in China and Turkey.

[LEARN MORE ABOUT THE CORPORATE REPORTING DIALOGUE](#)

**IMPACT MANAGEMENT PROJECT**

We are also part of the [Impact Management Project](#) (alongside [UNDP](#), [UNEP FI](#), [UN Global Compact](#), [OECD](#), [IFC](#), [GIIN](#), [GRI](#), [SASB](#) and others), which is working to build global consensus on how to measure, report, compare and improve impact performance.

The Impact Management Project seeks to define impact by looking at:

- what kind of impact is being achieved;
- who benefits;
- the scale and additionality of the impact;
- what risks/trade-offs the impact comes with.

[LEARN MORE ABOUT THE IMPACT MANAGEMENT PROJECT](#)

## SUSTAINABLE STOCK EXCHANGES (SSE)

We continue to support work on how stock exchanges can enhance corporate transparency on ESG issues through the [Sustainable Stock Exchanges \(SSE\)](#) initiative (alongside [UNCTAD](#), UN Global Compact and UNEP FI).

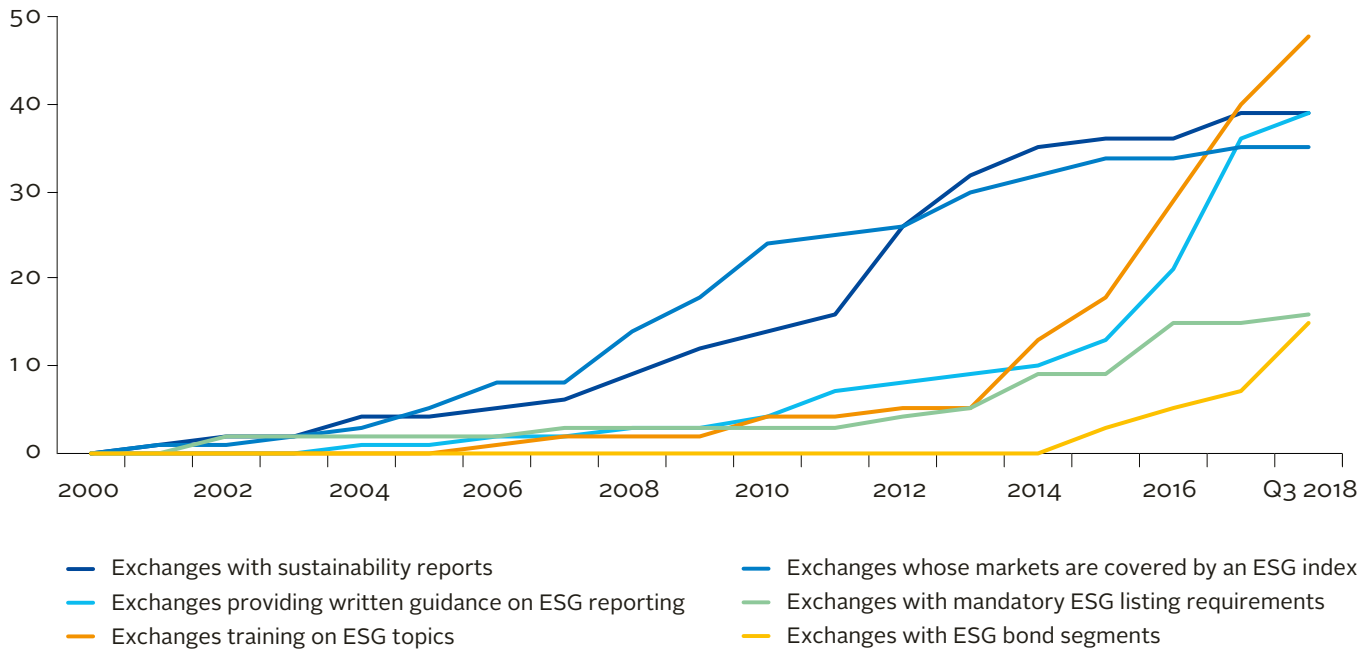
Of the SSE's 90 [partner exchanges](#), 43 now provide formal guidance to issuers on reporting ESG information, representing over 35,000 listed companies. In 2015, when the initiative launched its global campaign and published a guidance document to encourage and help exchanges to provide guidance on reporting ESG information to investors, just 13 did so.

ESG information is also increasingly being incorporated into exchanges' listing rules, either by the exchanges themselves or by securities regulators: there are 17 stock exchanges with mandatory ESG reporting requirements on four continents, with the majority in Asia. The SSE has produced [guidance for regulators](#) examining how, within their existing mandates, they can act on sustainability-related risks and opportunities.

Nearly 50 exchanges are also hosting training, online courses and other educational or awareness-raising events for their listed companies, investors or other key stakeholders (eight in Latin America, four in Africa, 18 in Europe, 17 in Asia, and one in North America).<sup>B</sup>

### Stock exchange sustainability activities experience strong growth. Source: SSE database.

Number of exchanges

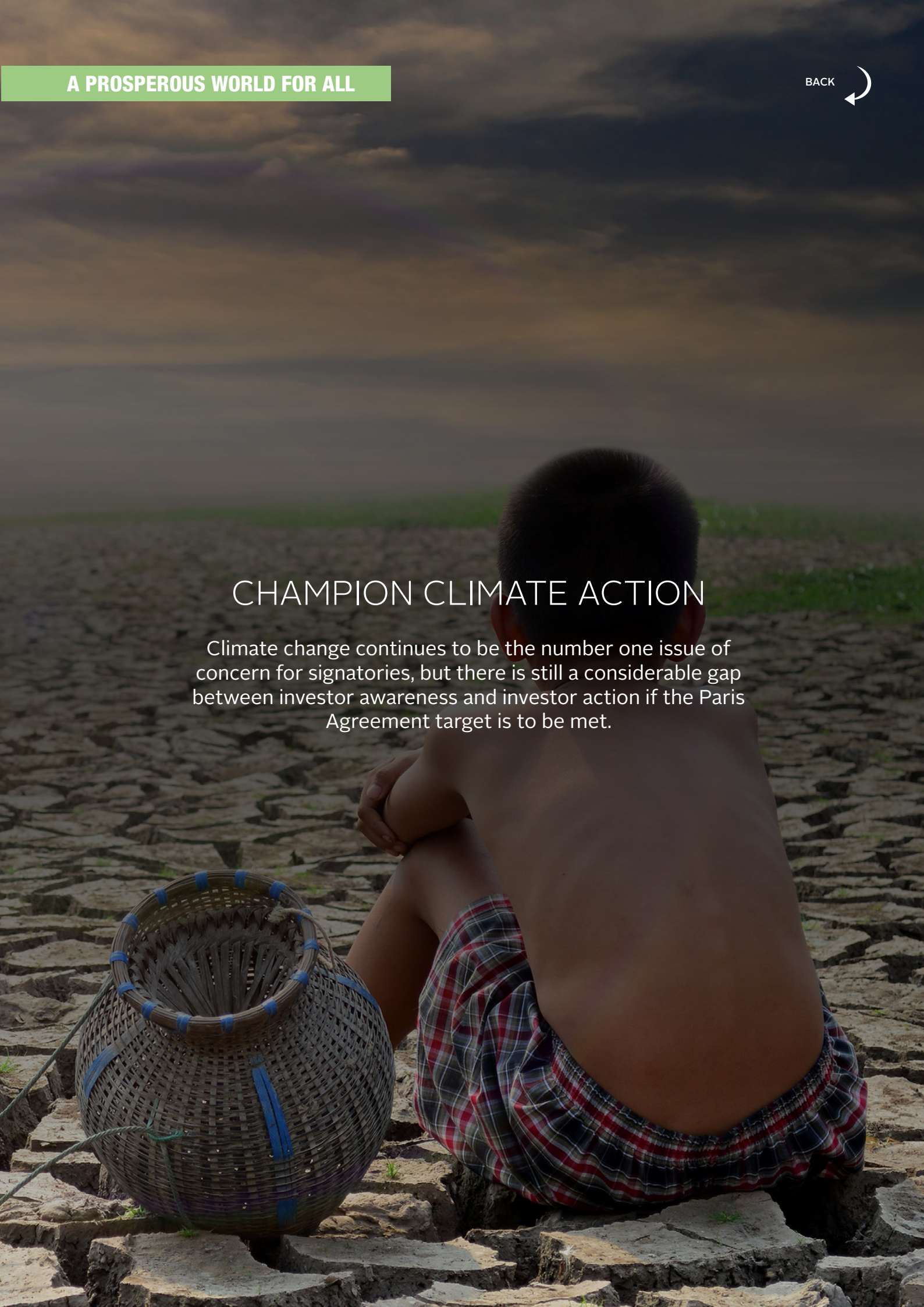


LEARN MORE ABOUT THE SUSTAINABLE STOCK EXCHANGES INITIATIVE



## CHAMPION CLIMATE ACTION

Climate change continues to be the number one issue of concern for signatories, but there is still a considerable gap between investor awareness and investor action if the Paris Agreement target is to be met.



# CHAMPION CLIMATE ACTION

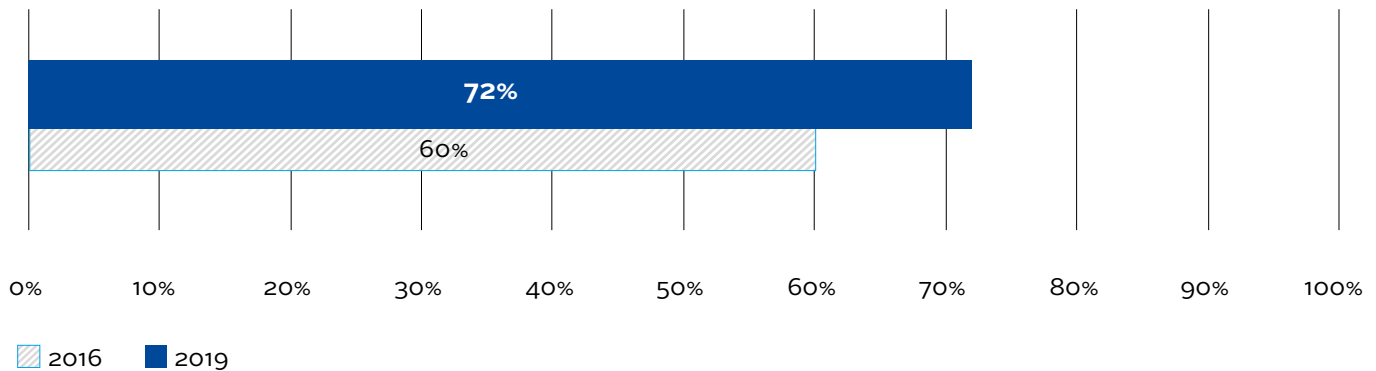
## Climate change is the highest priority ESG issue facing investors

Climate change continues to be the number one issue of concern for signatories, and the number of signatories reporting that they take specific climate-related actions in their work is growing. There is still a considerable gap, however, between investor awareness and investor action, if the Paris goal to keep temperatures well within 20 C of pre-industrial levels is to be met.

### KEY TARGETS

Signatories explicitly factoring climate-related risks and opportunities into investment strategies or products: 72% (PRI target: 75%)

### Signatories specifying actions taken to address climate-related risks and opportunities



Read more about our work on the EU Action Plan for Financing Sustainable Growth under [Action 6: Challenge barriers to a sustainable financial system](#)

## CLIMATE FORUMS

The PRI's 14 Climate Forums, held across 10 countries, engaged more than 1,350 investors to discuss:

- the inevitable policy response;
- how to ready portfolios for a low-carbon economy;
- the Task Force on Climate-related Financial Disclosures (TCFD) and scenario analysis;
- active ownership and the Climate Action 100+.



## SUPPORTING PORTFOLIO TRANSITION INEVITABLE POLICY RESPONSE

In September 2018 we launched our [Inevitable Policy Response](#) initiative, highlighting that as current global policies are a long way from achieving the Paris Agreement targets, a forceful policy response to climate change is likely by the mid-2020s.

Our initial exploratory paper set out why a forceful response to climate change is inevitable, when it is likely, potential policy scenarios, and potential implications for strategic asset allocation and portfolio construction. It will be followed by detailed modelling examining how an inevitable policy response will affect the economy, which asset classes will be impacted and which sectors are most at risk.

KEEP UP-TO-DATE WITH THE LATEST FROM THE  
INEVITABLE POLICY RESPONSE PROGRAMME

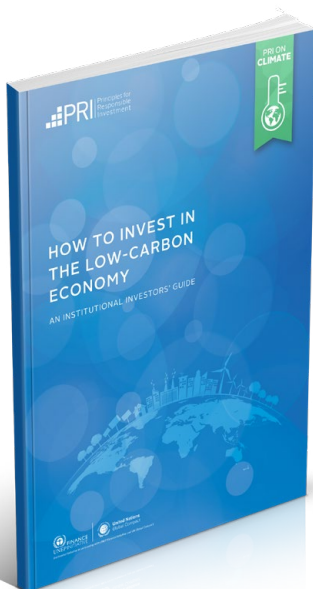
### TOOLS AND GUIDANCE

Investing in the low-carbon economy (crop)

[How to invest in the low-carbon economy](#) highlights the approaches available to investors in their efforts to align portfolios with a lower carbon, more climate-resilient economy. The multi-asset class guide focuses on:

- low-carbon, climate-aligned investment opportunities;
- integrating climate-related risks and opportunities into investment processes;
- phasing out investments in thermal coal.

READ HOW TO INVEST IN THE  
LOW-CARBON ECONOMY



The [Paris Agreement Capital Transition Assessment \(PACTA\)](#) tool is a climate scenario analysis tool developed by the 2° Investing Initiative, and supported by the PRI. It analyses exposure to transition risk in equity and fixed income portfolios over multiple scenarios, including allowing investors to see the gap between their existing portfolio and 2°C benchmarks.

As of March 2019, the PACTA tool has been used by 674 institutions, with a total of 2,600 portfolio tests undertaken across 68 countries.

LEARN MORE ABOUT THE PACTA TOOL

## CORPORATE ENGAGEMENT

We convene a number of our own climate-related [corporate engagements](#), as well as joining [AIGCC](#), [Ceres](#), [IGCC](#) and [IIGCC](#) in coordinating [Climate Action 100+](#) – a global collaborative engagement targeting a selection of the world's largest corporate greenhouse gas emitters.



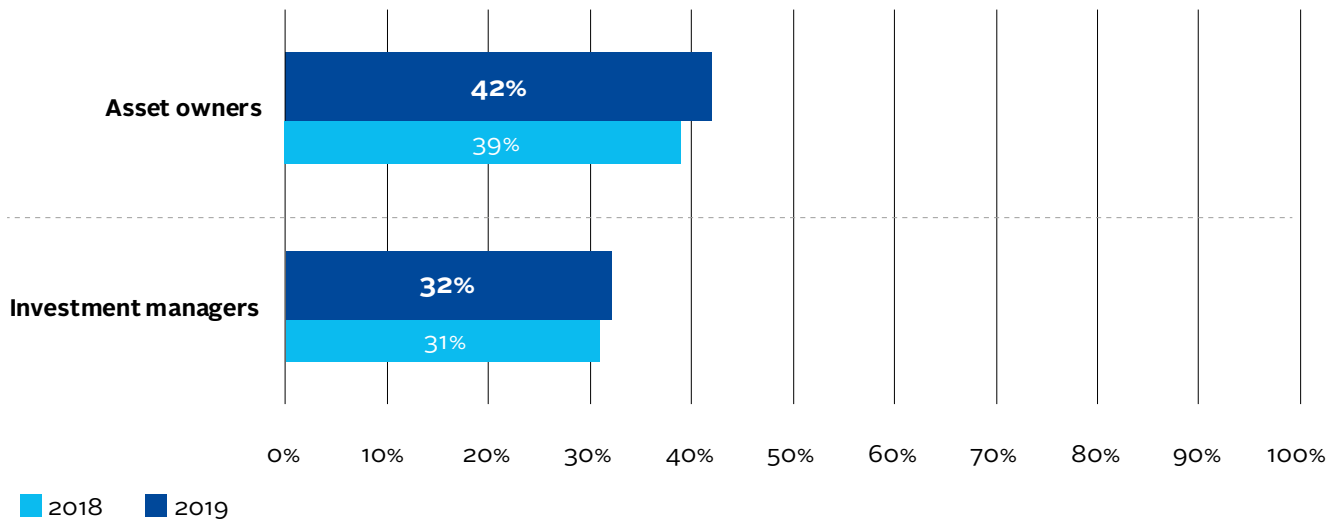
## INVESTOR DISCLOSURE

Having launched pilot PRI reporting on TCFD-aligned questions in 2017/18, this year we released [data and analysis](#) from that pilot to support signatories reporting in 2018/19. The number of signatories choosing to answer these voluntary indicators increased slightly year-on-year. In 2020, the strategy and governance indicators will become mandatory.

### KEY TARGETS

Signatories reporting on the TCFD framework via PRI reporting: 35% (PRI target: 50%)

#### Signatories choosing to answer optional TCFD-aligned questions on climate change



Read more about our guidance on the TCFD recommendations under [Action 1: Empower asset owners](#)

We also convened a UK and Chinese government-backed [pilot on climate-related and environmental risk](#) disclosure. The pilot group has established a platform for peer exchange and capacity-building, developed a three-year action plan and published 11 case studies.





## ENABLE REAL-WORLD IMPACT

Beyond the need to improve how ESG issues' financial relevance is captured throughout the market, investors increasingly need to better demonstrate the impact that their investment decisions have in the real world.

# ENABLE REAL-WORLD IMPACT

Driving sustainable development in line with the UN SDGs will create a more prosperous world, to live in today and to pass on tomorrow

## IMPACT INVESTING MARKET MAP

Over the last decade, impact investing has shifted from being a disruptive concept to a complex and rich investment ecosystem. With this in mind, the PRI launched the [Impact investing market map](#).

Based around ten thematic areas, it aims to bring clarity over how to identify mainstream impact investing companies and thematic investments.



Energy efficiency



Water



Green buildings



Affordable housing



Renewable energy



Education



Sustainable agriculture



Health



Sustainable forestry



Inclusive finance

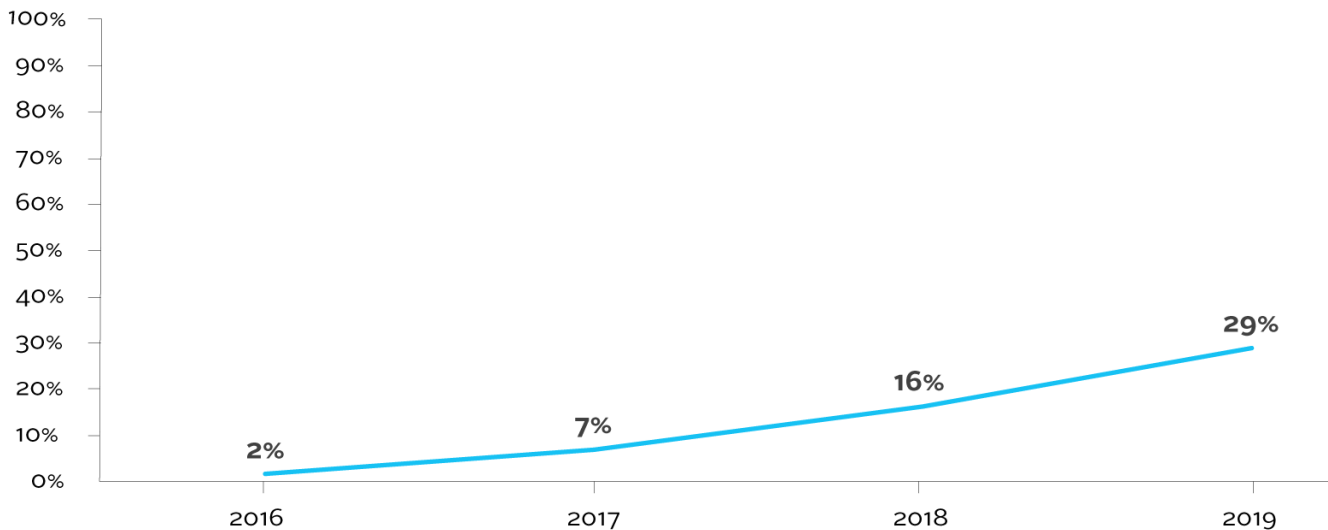
[READ THE IMPACT INVESTING MARKET MAP](#)

## SUSTAINABLE DEVELOPMENT GOALS (SDGS)

There has been demand from signatories for the PRI to provide guidance and leadership on what the SDGs mean for them. Demand varies between a small number of very active signatories, wanting to be part of agenda-setting work on

contributing to the Goals, and a large majority who want to better understand the Goals' relevance to them, what their sphere of influence is and where they can start

### Signatories mentioning the SDGs during their PRI reporting



We held a US events series *Addressing Systemic Risk: The SDGs* bringing signatories together in New York, Washington and San Francisco to discuss the value of the Sustainable Development Goals as a tool to assist fiduciary investors contribute to a resilient financial system and address systemic risk in their investment processes.

In Brazil we trialled, in partnership with UN Global Compact, the first in what will become a series of SDG investment forums. These forums will help to ensure that the private

sector is aware of SDG investment opportunities, and understand the wider developmental role they can play by taking advantage of them. The forums will also bring in representatives from governments so that they can better understand the challenges companies and investors face when aligning their strategies with the SDGs. The Brazil forum brought together nearly 200 participants from both the public and private sector alongside representatives from the UN, civil society and academia.

KEEP UP-TO-DATE WITH ALL OUR WORK ON THE SDGS



# ENHANCE OUR DIGITAL CAPACITY



## UNPRI.ORG - A MODERN ONLINE HOME FOR THE PRI

We launched a new website rebuilt from the ground up on a professional-grade publishing platform, to better drive content towards signatories and other stakeholders.

The new platform equips us with the tools to more readily use a much wider variety of content – including short articles, blog posts, videos and podcasts – as well breaking down our long-form content so users can isolate specific topics, case studies and more from within longer reports.

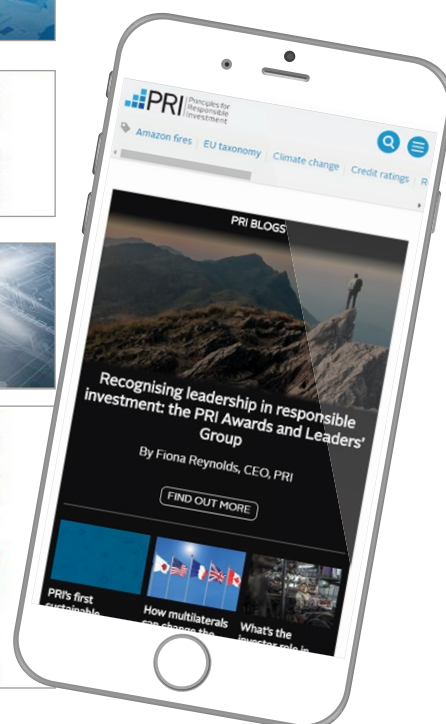
“Much easier to use – great access to all the available resources and topics.”

For users, content discoverability is greatly improved. The site is browsable by topic area to better reflect the way users want to consume it, rather than from which part of the PRI it was produced. A single search box yields results from across the platform, including our resource library, events list and signatory directory.

“Navigation has very much improved – I could easily find topics of interest, the signatory database, reports.”

The platform also enables deep analysis of content performance, for us to understand not only which content readers are engaging with, but which specific parts are of most interest, and to identify trends and themes – all of which can feed back into our plans for future work, enabling us to better serve signatories with the content that matters to them, in the formats that suit them best.

“Attracts our attention – I can easily find lots of materials I am interested in.”



The platform is continually evolving and primed to bring users more new features in the months ahead – key amongst which will be options to put users in control over what information they're most interested in seeing.

Usage of the new site has jumped dramatically. An annual figure of 430,000 users for the website platform alone in 2017/18 is 58% higher than the 2016/17 figure for the previous platform, which combined traffic from the website and the PRI Collaboration Platform.



**KEY TARGETS**

Increase in users of the PRI website: >58%  
(PRI target: 20%)

[EXPLORE WWW.UNPRI.ORG](http://WWW.UNPRI.ORG)

**SOCIAL MEDIA**

The PRI's social media presence has grown across all channels. Our largest audiences are on our priority platforms of Twitter (16,500 followers) and LinkedIn (12,000 followers).

We enjoyed particular success around PRI in Person in San Francisco, where #PRIinPerson trended strongly, not only amongst investment and sustainability audiences, but peaking at the second highest trend across the city during the conference's opening day.

**KEY TARGETS**

Increase in followers across social media channels: 25%  
(PRI target: 20%)



Follow us:



## EXTERNAL MEDIA

In 2018/19, the PRI received substantive coverage in 142 articles, featured in seven broadcast interviews and placed 18 by-lined articles. Key topics were climate change, diversity, executive remuneration and tax, while priority projects were the PRI's [ESG in Credit Ratings](#) initiative and the [EU Sustainable Action Plan](#).

### KEY TARGETS

Increase in number of articles with substantive PRI mention: 3%  
(PRI target: 30%)

Increase in number of broadcast interviews: 17%  
(PRI target: 20%)

Increase in the number of by-lined articles: 5% decrease  
(PRI target: 20% increase)



# ENHANCE OUR GLOBAL FOOTPRINT



The signatory network has continued to expand, making it important for us to continue to focus on how to better support not only an ever-growing number of signatories, but an ever-growing variety. More experienced relationship managers and a tiered relationship management system are enabling better understanding of our signatory base, thus enhancing the service we can provide to signatories. Asset owners remain the primary target for our recruitment efforts.

## KEY TARGETS

Signatories receiving signatory review meetings: 40%  
(PRI target: 33%)

Asset owners receiving signatory  
review meetings: 87%  
(PRI target: 80%)

This year we established a presence in Southern Europe and Latin America, having expanded our coverage into China, Benelux and Australia the year before. Locations are selected based on the size of the market, its strategic importance and expectations of growth. In the case of Latin America, additional factors were low historical coverage and the opportunity to merge with the Latin SIF. In all markets where a presence has been established, both the growth rate and the service provided to existing signatories has increased.

We've also hired locally focused policy and engagement staff in the US, France and China.

## Proportion of PRI staff based outside London:

**26%**

2019

**15%**

2016

## EXPANDING OUR LOCAL PRESENCE

We have continued to expand the number of signatory relations staff that we have around the world dealing directly with signatories in their local markets. As well as the number of on-the-ground relationship managers rising, a restructure providing regional directors and additional operational staff is allowing relationship managers to focus more on directly servicing signatories.

At the same time, however, signatory growth has been strong, resulting in the global average of signatories per relationship manager rising. The most over-subscribed markets are the Nordics, France, UK & Ireland, Benelux and Australasia – making them priorities for additional relationship manager support in future.

## KEY TARGETS

Signatories per relationship manager: 112  
(PRI target: 100)

## MULTI-LINGUAL RESOURCES

We are always working to expand the range of languages in which our resources are available. Through 2017/18 we translated 16 publications into languages including French, Spanish, Portuguese, Japanese and Chinese. We are also boosting the number of PRI events and broader communications that occur in a wider range of languages, including across social media, newsletters and [blog posts](#).

SEE ALL PUBLICATIONS AVAILABLE IN  
MULTIPLE LANGUAGES

## A GROWING NETWORK

The 2017/18 signatory growth rate was, at 22%, the highest since the 2010/11.

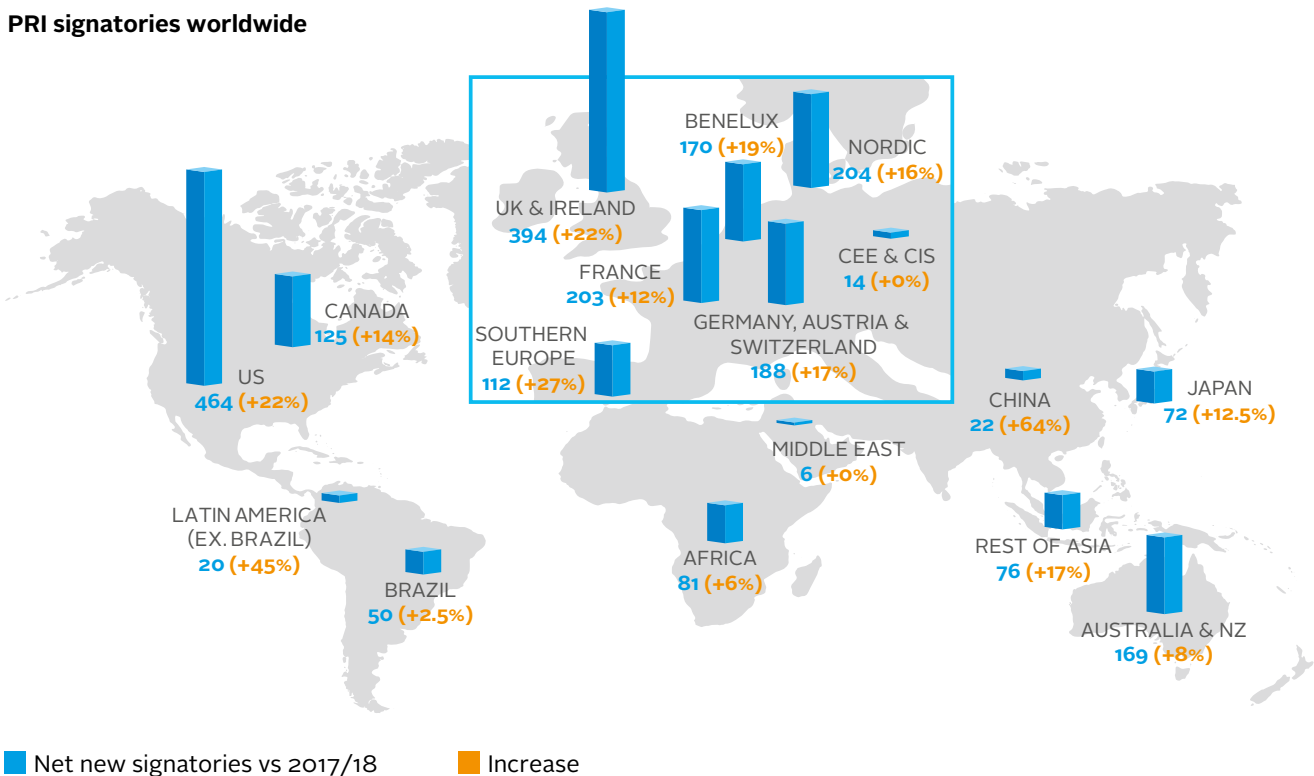
We recruited [69 asset owners](#) in 2018/19, of which 27 were strategic targets, with growth particularly strong in the UK (12 new asset owners), the US (11), the Netherlands (eight) and across Southern Europe (eight). Beyond the traditional public pension funds, new areas of asset owner growth include increasing numbers of corporate pension funds, insurance providers, public treasuries and central banks.

Among the new joiners were LGPS Central and National Grid PS in the UK, AG2R (France), Novartis PF (Switzerland), PenSam (Denmark), City of Chicago and Illinois State Treasury in the US, AFP Cuprum (Chile), AFP Prima (Peru), GPF Thailand, AIA (Hong Kong), and Meiji Yasuda (Japan).

Search for signatories by name, signatory category, location or join date in the:

[SIGNATORY DIRECTORY](#)

### PRI signatories worldwide



### KEY TARGETS

Signatory share among large asset owners: 33%  
(PRI target: 35%)

Signatory share among US asset owners: 11%  
(PRI target: 35%)

Signatory share among Asia Pacific asset owners: 43%  
(PRI target: 35%)





# DEVELOP OUR STAFF



After more than 10 years in operation, the PRI is more mature in many areas – including as an employer. We are increasingly recognised as a desirable place to work, and are benefiting from being able to attract growing pools of candidates for roles at both the senior and junior level.

## KEY TARGETS

Staff engagement score: 75%  
(PRI target: 75%)

## KEY TARGETS

Staff gender ratio: 59:41 (F:M)  
(PRI target: 50:50)

## GETTING THE BEST PEOPLE

We have received good results from using the [Applied](#) recruitment tool, which brings a more data-driven, more collaborative and more objective approach to screening candidates.

- Setting candidates representative questions helps us to more practically assess people's ability to do the job in question than by screening CVs.
- Anonymising answers helps to avoid unconscious biases from erroneously diverting attention to/from particular candidates based on factors relating to identity/background, such as geography, race, gender or socioeconomics.
- Isolating a candidates' responses from each other helps to remove the halo/horn effect of strength/weakness in one area unduly affecting the impression of other areas.

## ORGANISING OURSELVES TO DELIVER MAXIMUM SIGNATORY VALUE

As part of our 2018-21 strategy, we committed to conduct an organisational review once we had grown to more than 100 employees. The review conducted last year included:

- scoping how our geographical coverage will evolve as the signatory base grows;
- developing new business/project planning process and systems;
- mapping typical signatory journeys;
- evaluating the management structure and realigning decision-making.

As such, 2018/19 has been an important year for laying new foundations for the PRI, and we must now focus on embedding those changes and assessing whether they are delivering the value expected.

## THE UK'S STATUS WITHIN THE EUROPEAN UNION

Risks for existing staff associated with the UK's planned exit from the European Union (EU) is diminished following the [EU Settlement Scheme](#), which opened for applications in March 2019. We are supporting relevant staff (EU, EEA or Swiss citizens without indefinite leave to remain in the UK) in applying to this scheme, and to date almost half have been confirmed with settled or pre-settled status.

The longer term implications on the ability of the PRI's London headquarters to attract and retain the right staff are difficult to predict, particularly without knowing under what terms, if any, the UK's exit will be negotiated. Approximately 25% of recruitment over the past two years has been from the EU.





# FINANCIAL STATEMENTS



## FINANCIAL REPORT

### INCOME

Between 1 April 2018 and 31 March 2019, total income grew to £13.2 million, up from £10.4 million in 2017/18.

	ACTUAL 2017/18 (£,000S)	ACTUAL 2018/19 (£,000S)	BUDGET 2019/20 (£,000S)
Membership fee - renewal	8,414	10,150	11,951
Membership fee - new	690	1,227	775
Grants, donations, other*	462	1,138	1,581
PRI in Person income surplus	597	107	1,011
PRI Academy	285	533	575
<b>Total income</b>	<b>10,448</b>	<b>13,154</b>	<b>15,892</b>

\*Projects funded through grants, donations and other income included: Transition Pathway Initiative, Inevitable Policy Response: Act Now, ClimateWorks Foundation, Investor Initiative for Sustainable Forests with Ceres, Climate Action 100+ and the ESG in Credit Ratings initiative.

## SIGNATORY FEES

All signatories pay annual fees, based on their total assets under management or, for service providers, number of employees. In 2018/19, income from new and existing signatories came to £11.4 million, up from £9.1 million in 2017/18.

## FEE DISCOUNTS

Asset owners headquartered in a country classified by the IMF as an emerging market or developing economy are entitled<sup>1</sup> to apply for a fee discount. The PRI will bill service providers based on only their investment staff, where that service provider has distinct divisions that provide distinct services. If one of those divisions provides a service that is not relevant to investors (and therefore the principles), this division will be excluded from the fee calculation.

Account Name	HQ COUNTRY	SIGNATORY CATEGORY
Old Mutual	South Africa	Asset Owner
Funcef	Brazil	Asset Owner
FUNCESP	Brazil	Asset Owner
Government Employees Pension Fund of South Africa	South Africa	Asset Owner
GRUPO FINANCIERO BANORTE S A B DE C V	Mexico	Asset Owner
Infraprev	Brazil	Asset Owner
Khazanah Nasional Berhad	Malaysia	Asset Owner
Economus	Brazil	Asset Owner
LA Retirement Fund	South Africa	Asset Owner
MMI Group Limited	South Africa	Asset Owner
Petros - Fundação Petrobras de Seguridade Social	Brazil	Asset Owner
PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil	Brazil	Asset Owner
Real Grandeza	Brazil	Asset Owner
Retirement Fund (Incorporated) (KWAP)	Malaysia	Asset Owner
Sanlam Limited	South Africa	Asset Owner
Valia	Brazil	Asset Owner
Brasilprev Seguros e Previdência	Brazil	Asset Owner
The Consolidated Retirement Fund for Local Government	South Africa	Asset Owner
Normandin Beaudry	Canada	Service Provider
PBI Actuarial Consultants Ltd.	Canada	Service Provider

<sup>1</sup> See IMF's World Economic Outlook 2016 (Statistical Appendix, p.209) for a full list of eligible countries.

## EXPENDITURE

Between 1 April 2018 and 31 March 2019, total expenditure excluding PRI in Person grew to £12.5 million, up from £10.2 million in 2017/18.

	ACTUAL 2017/18 (£000S)	ACTUAL 2018/19 (£000S)	BUDGET 2019/20 (£000S)
<a href="#">Staff Costs</a> (incl networks, recruitment, training & development)	6,441	7,755	9,342
Bought-in services, consulting and research**	1,171	1,863	2,254
Travel expenses	787	970	1,083
Premises costs	435	564	635
IT costs and telephone	593	665	741
Events, meetings conferences & hospitality	220	297	368
Legal & professional services	124	115	113
Subscriptions, reports & printing	100	139	219
Academy commissions & marketing	69	57	0
Other expenditure (Insurance, postage, office supplies, bank charges)	240	116	251
<b>Total (PRI in Person expenditure not included)</b>	<b>10,181</b>	<b>12,541</b>	<b>15,008</b>

\*\*Significant bought-in services, consulting and research include: Energy Transition Advisors (Climate Transition Work Programme); London School of Economics (Investing in Just Transition); London School of Economics (TPI); Regnan (Environmental Issues); Vivid Economics (IPR Funding); Danyelle Guyatt (Implications for Strategic Asset Allocation); Freshfields (EU Sustainable Finance Action Plan); Clean Returns Pty Ltd (IPR Implementation Guidance).

## EXPENDITURE BY AREA

	ACTUAL 2017/18 (£.000S)	ACTUAL 2018/19 (£.000S)	BUDGET 2019/20 (£.000S)
Management and Operations	2,305	2,582	2,958
Global Outreach and Networks	2,210	2,720	3,123
Communications & Events	886	957	1,319
Policy, Research & Climate	1,228	1,220	837
Content team			563
Investment Practices & SDGs	856	1,033	1,118
ESG Engagements & Stewardship	642	641	893
Reporting and Assessment	690	825	793
Premises costs	434	492	633
Grants, other	394	994	1,581
PRI Academy	377	453	418
Partnerships	157	214	209
Consulting and research (separated in 2018/19)		410	565
<b>Total</b>	<b>10,181</b>	<b>12,541</b>	<b>15,008</b>

## NUMBER OF STAFF BY DEPARTMENT

	MARCH 2019	FORECAST MARCH 2020
Reporting & Assessment, Investment Practices, SDGs, ESG Engagements	28	38
Global Outreach and Networks	29	33
Management & Operations, HR, Partnerships & PRI Academy	23	25
Communications & Events	10	14
Policy, Research & Climate	9	10
Content team	5	5
Executive	2	3
Grants	6	10
<b>Total</b>	<b>112</b>	<b>138</b>

**CASH RESERVES**

Cash increased to £6.1 million at the end of the year, up from £4.6 million at the end of 2017/18. This included receiving both sponsorship and delegate fees for PRI in Person Paris.

**RESERVE POLICY**

The amount of cash designated as a minimum level is regularly reviewed by the board. This has varied over the years. At present it is deemed to be equivalent to four months of payroll.

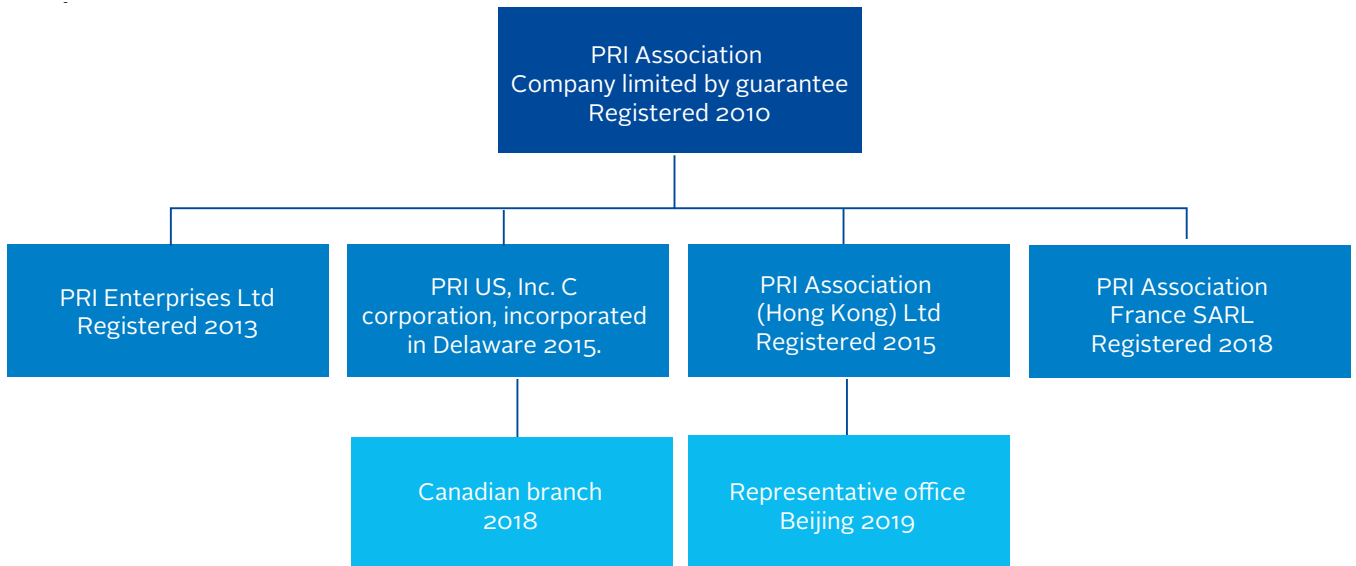
**CORPORATE STRUCTURE**

The PRI group comprises seven entities, with PRI Association being the ultimate holding company. Signatory fees are collected by PRI Association and disbursed across the group. Entities are established where there is a specific operating or regulatory requirement.

PRI Enterprises Ltd is the home of the PRI Academy and is primarily funded by course fees.

**OPERATING SURPLUS**

After taking into account interest receivable, depreciation and tax, the PRI achieved a surplus of £554,140 for 2018/19, up from £193,185 for 2017/18.



## PARTNERSHIPS

### KEY TARGETS

Staff engagement score: 75%  
(PRI target: 75%)

Organisations can partner with the PRI by:

- sponsoring or exhibiting at PRI in Person and other events
- working with the PRI on research or a publication;
- hosting a signatory event;
- supporting the PRI Network in their region;
- collaborating with the PRI Academy, Academic Network and Research Forum.

The PRI thanks the following organisations for providing financial or in-kind support during the year, such as providing complementary access to research and data, and sponsoring or hosting PRI events and publications.

### OUR PARTNERS THIS YEAR

#### PRI in Person 2018

- **Lead:** MFS Investment Management
- **Gold:** Bloomberg, DWS, Hermes Investment Management, RBC Global Asset Management
- **Silver:** Comgest, ClearBridge Investments, ISS-ESG, MSCI, Neuberger Berman, Russell Investments, UBS
- **Bronze:** Barrow, Hanley, Mewhinney & Strauss, LLC, Beyond Ratings, East Capital, Four Twenty Seven, FTSE Russell, HSBC Global Asset Management, Martin Currie Investment Management, PIMCO, Prosperity Capital Management, Wellington Management Company LLC

#### Academic Network Conference 2018

Bursary: S&P Global

### GRANTS

The PRI wishes to acknowledge the following organisations for their support:

Bloomberg Philanthropies, Ceres, ClimateWorks Foundation, Department for Business, Energy and Industrial Strategy, European Climate Foundation, Generation Foundation, Gordon & Betty Moore Foundation, KR Foundation, the William and Flora Hewlett Foundation

### IN-KIND DONATIONS

The PRI also wishes to thank the following organisations for providing in-kind access to data:

- FTSE Russell, MSCI, RepRisk, Vigeo Eiris

PRI FINANCIAL STATEMENTS  
YEAR ENDED 31.03.2019







# BOARD REPORT



## PRI BOARD

### CHAIR



**Martin Skancke**  
Independent  
Appointed until 2020

### DIRECTORS ELECTED BY ASSET OWNERS



**Angela Emslie**  
HESTA (Australia)  
Term limit: 2021



**Eva Halvarsson**  
AP2 (Sweden)  
Term limit: 2019



**Hiromichi Mizuno**  
GPIF (Japan)  
Term limit: 2019



**Renosi Mokate**  
GEPIF (South Africa)  
Term limit: 2020



**Laetitia Tankwe**  
Ircantec (France)  
Term limit: 2021



**Xander den Uyl**  
ABP (Netherlands)  
Term limit: 2021



**Sharon Hendricks**  
CalSTRS (USA)  
Term limit: 2021

### DIRECTORS ELECTED BY NON ASSET OWNERS



**Wendy Cromwell**  
Wellington (USA)  
Term limit: 2021



**Tycho Sneyers**  
LGT (Switzerland)  
Term limit: 2020



**Peter Webster**  
Vigeo Eiris (France)  
Term limit: 2019



**Lise Kingo**  
UN Global Compact



**Eric Usher**  
UNEP FI

### PERMANENT UN ADVISORS

[LEARN MORE ABOUT THE PRI BOARD](#)

## INTRODUCTION FROM THE CHAIR

The board remains focused on realising the ambitions of the PRI's [Blueprint for responsible investment](#) and providing value to all signatories.

The board's discussions are guided by the nine Blueprint priorities. The board has a high-level agenda for the 2019-21 strategy cycle that has scheduled discussions of all the Blueprint priorities, to ensure that the board systematically discusses and reviews each priority in depth. Also, at the regular June meeting the executive presents to the board an overview of progress against the nine priorities. Over the past year the board has discussed in depth:

- Action 1: Empower asset owners
- Action 4: Showcase leadership and increase accountability
- Action 7: Drive meaningful data throughout markets
- Action 8: Climate action
- Action 9: Enable real-world impact aligned with the SDGs

At the 2018 Signatory General Meeting I spoke about bringing the PRI closer to its signatories. Since 2017 we have set up a physical presence in Australia, Benelux, China, Latin America and Southern Europe. We have also added expertise and support to existing networks, including France, the UK and Ireland, and the US. Together with this increased physical presence we have translated selected core PRI materials into French, Spanish, Portuguese, Japanese and Chinese. The board has been encouraged by the signatory growth over the past year, especially the strong relative growth in China, Latin America and Southern Europe.

At our December 2018 meeting the board discussed the Reporting Framework, the theory of change for the Framework and the elements to be considered during the review. 580+ signatories (24%) participated in the review consultation, and the results indicate that signatories receive significant value from undertaking the Reporting Framework. It is valuable for learning and literally provides a framework for reflecting upon, structuring and reporting on responsible investment activities. Signatories also recognised the need for accountability for their responsible investment actions to the PRI and other stakeholders. Signatory feedback was constructive, identifying many ways in which reporting, assessment and the various outputs could be improved. The board will discuss further the proposed Reporting Framework reform at our September and December meetings.



**Martin Skancke,**  
Chair, PRI

The board puts considerable effort into improving its effectiveness. The PRI's Articles mandate that the board conducts a periodic external assessment of its effectiveness. In April 2018 the PRI retained Nestor Advisors to facilitate the review. The reviewers concluded that the PRI has a well-functioning board with committed and engaged board members. However, board members felt that they can perform better as PRI ambassadors, with better support from the executive. To maintain engagement and quality of discussion the board agreed to meet more frequently, raising the commitment from three to four in person meetings annually. The review also identified recommendations on how the board committees and executive can more effectively support the board.

Several directors departed the board during the year: Sandra Carlisle (HSBC), Marcus Madureira (PREVI) and Priya Mathur (CalPERS). I would like to thank them for their valuable input during their respective terms. The PRI hopes to continue to benefit from the expertise of the departing board directors.

This year we welcomed three newly elected and two re-elected directors that will bring their perspectives, skills and knowledge to the board:

- Wendy Cromwell, Vice chair, Wellington Management (newly elected in January 2019)
- Angela Emslie, Independent Member, Impact Fund, HESTA (re-elected for a second term in January 2019)
- Sharon Hendricks, Chair of the Board, CalSTRS (newly elected in April 2019)
- Laetitia Tankwe, Advisor to the president of the board of trustees, Ircantec (newly elected in January 2019)
- Xander den Uyl, Trustee, ABP (re-elected for a second term in January 2019)

During the year there was also a change in representative from our partner initiative, the UN Global Compact. Lise Kingo, CEO and Executive Director, replaced Gavin Power.

In the 2019 PRI Board annual elections there are two asset owner positions and one service provider position up for election. Skills, experience and diversity are critical to a high-performing board. The board is encouraging all candidates with leadership and governance experience. Candidates will also be asked to elaborate in their statements on their demonstrated leadership within responsible investment, ESG expertise and other experience relevant to the long-term success of the PRI.

Signatory participation in the signatory voting in October and November is important. The PRI is a membership organisation and to continue to thrive we need to engage signatories with relevant work and activities, and signatories need to keep engaged and active in our governance. The PRI will be asking signatories to elect three new directors, approve the SGM minutes and vote for the PRI Annual Report and Accounts.

I encourage you to read the full board report. It is an overview of the work undertaken by the board over the past year, including how we work together and with the executive. The report includes our focus on: organisational purpose; the leadership of the board; integrity measures; decision-making processes, risks and controls; actions to improve our effectiveness; how we are thinking about board diversity and communicating this to signatories; and our efforts to be open and accountable to signatories.

If you would like to discuss any aspect of the PRI's governance with me, please feel free to email me at [governance@unpri.org](mailto:governance@unpri.org).

**Martin Skancke**

[READ THE FULL BOARD REPORT](#)

## SIGNATORY GENERAL MEETING

The 2019 Signatory General Meeting (SGM) will be at 09:00 – 10:30 on Tuesday 10 September 2019 in the Palais des Congrès de Paris, as part of PRI in Person.

### AGENDA

- 1. Welcome address and PRI Board report**  
Martin Skancke, Chair  
09:00 – 09:15
- 2. Management and financial report**  
Fiona Reynolds, CEO  
09:15 – 09:45
- 3. Q&A**  
Martin Skancke, Chair and Fiona Reynolds, CEO  
09:45 – 10:15
- 4. Board director elections**  
Martin Skancke, Chair  
10:15 – 10:30

The PRI wants to encourage an active dialogue between signatories and the board. The SGM, the annual general meeting of signatories, is an important forum for communication between the board and signatories. The board encourages signatory participation, either in person, via webcast or for those outside the time zone by submitting questions in advance. The SGM is an opportunity for the board to report to signatories on the PRI's strategy and its implementation, the work undertaken by the board and its committees, forthcoming board elections, formal consultations and any other business.

The SGM will be webcast for signatories that cannot attend in person. For more information on how to participate by webcast and submit questions in advance, click [here](#).

The PRI sought input from signatories on the Signatory General Meeting (SGM) draft agenda in July 2019 and invited signatories to contribute agenda items and resolutions to be put to a vote. No agenda items or resolutions were received by the deadline of 9 August. However, time has been set aside for signatories to ask questions. If you have detailed financial or legal questions, please submit these by 9 September to [governance@unpri.org](mailto:governance@unpri.org).



## IN-HOUSE SUSTAINABILITY



Most of the PRI's impact is positive and happens indirectly via the work that we do to help our 2,500 signatories implement the Principles.

We have an impact on:

- our investor signatories – by encouraging them to be more transparent in their investment activities;
- companies – by improving their practices through investor engagements;
- markets – through ventures such as the Sustainable Stock Exchanges initiative.

Beyond these positive, indirect impacts, we recognise that the way we choose to operate as an organisation can have direct impacts, and we try to manage these wherever possible.





## ENVIRONMENTAL

The PRI has been certified as compliant with ISO 14001, the international standard for environmental management systems. As part of this certification, we will continue to monitor, manage and reduce our impact on the environment through transport, waste, consumption of natural resources, energy use and procurement.

We strive to make sure our events are as green as possible. For example, we acknowledge that PRI in Person has the potential to impact the environment and that it is our duty to proactively manage this. As always, we took various measures at PRI in Person 2018 to ensure that the event was delivered as sustainably as possible. For example:

- The San Francisco Marriott Marquis is the #1 recycling hotel in San Francisco: it recycles cardboard, cans, bottles, glass, paper and plastic, and composts food waste.
- All light bulbs are energy-efficient and all hotel guest rooms feature water-saving low-flow toilets and water-saving shower heads.
- PRI in Person strives to use as little paper as possible: there was no paper delegate pack and exhibitors were discouraged from distributing hard copies of their own literature.
- Through a partnership, we offset the emissions for delegates' travel and for all official venues: over 3,400 tonnes of GHG emissions in total.
- All banners, carpets and furniture were reusable or recyclable; lanyards, badge holders, conference pens and delegate bags were all made from recycled, sustainable materials.
- Unused food was donated to Food Runners and Chefs to End Hunger, two local organisations redistributing food to the hungry that would otherwise go to waste.
- All catering during the lunches and refreshment breaks was fully vegetarian and all tea and coffee was Fairtrade-certified.
- Our caterers sourced ingredients from local suppliers where possible, with a focus on sustainable, seasonal produce.



## SOCIAL

Our employees have the right to work in an environment of dignity and respect. We are accredited as a Living Wage Employer, whereby we ensure that our staff are paid a salary that will ensure a good standard of life.

We are also against unpaid internships and ensure that interns are paid a decent and fair salary.

We invest in the training and development of our staff, and have set up staff committees on employee engagement and human rights.



## GOVERNANCE

Good governance at the PRI includes annual signatory elections, term length limits for board directors, publishing board meeting attendance and clear separation between the roles of the CEO and chair. The PRI has a board diversity policy in the belief that diversity contributes to high performance.

We are committed to ensuring a fair, transparent, cost-effective and accountable process in the purchasing and provision of goods and services to our signatories and other stakeholders. We have a procurement policy in place to provide direction to staff in relation to tendering, contracting and procurement activity. The policy aims to establish a framework that will, among other things, appropriately manage risk, ensure the efficient, effective and responsible use of resources, and deliver best value for money.

Our public communications policy ensures we advocate for the uptake of the six Principles and responsible investment, but that we don't speak on behalf of our signatories.



# NEW AND FORMER SIGNATORIES



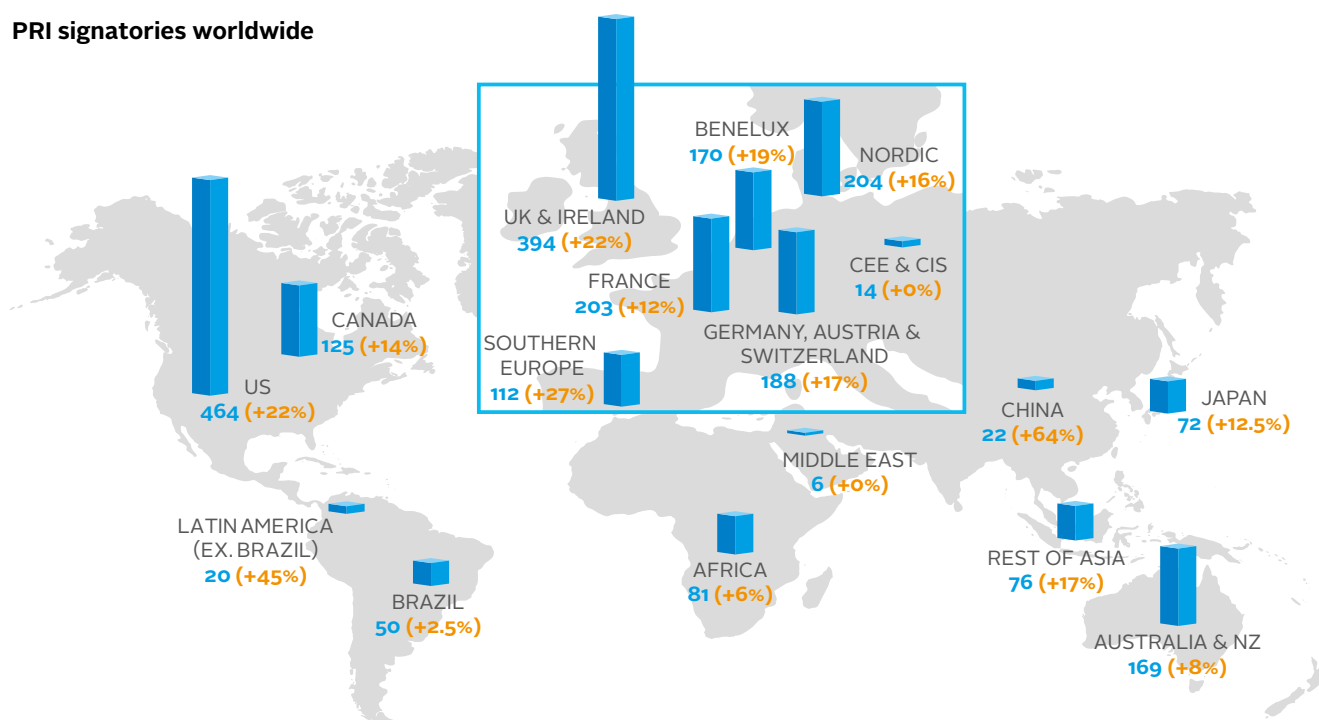
## NEW SIGNATORIES

We were delighted to welcome more than 500 new signatories to the Principles for Responsible Investment in 2018/19. Proportional growth was particularly strong in China (64%), Latin America (excl. Brazil) (45%) and Southern Europe (27%). Mature markets such as the US and the UK continued to see significant numbers of new joiners.

Search for signatories by name, signatory category, location or join date in the:

[SIGNATORY DIRECTORY](#)

### PRI signatories worldwide



Increase shown is net new signatories, which therefore may differ from the number of new signatories listed below, due to signatories also leaving during 2018/19.

## NEW SIGNATORIES IN 2018/19

### AFRICA

- Adenia Partners
- Aleyo Capital
- Baobab Capital (Pty) Ltd
- Differential Capital (Pty) Ltd
- FEDGROUP VENTURES
- IBIS Consulting
- Laurium Capital
- Madison India Capital Management LLC
- Northstar Asset Management
- PowerHouse Africa Asset Management (Provisional Signatory)
- SPEAR Capital Pty Ltd
- Summit Africa

### AUSTRALIA AND NEW ZEALAND

- AGNITIO REI
- Allan Gray Australia
- Allegra Wealth Pty Ltd
- Aoris Investment Manager
- Artesian Capital Management Pty Ltd
- ASB Group Investments Limited
- Avoca Investment Management Pty Ltd
- Bentham Asset Management Pty Ltd
- Ellerston Capital Limited
- Generate Investment Management Ltd
- Intrinsic Investment Management Pty Ltd
- Lighthouse Infrastructure
- Nanuk Asset Management
- Rest
- Spheria Asset Management
- The Impact Fund
- Trust Management
- Victoria University of Wellington Foundation

### BENELUX

- Adara Ventures
- AG Insurance
- Ageas
- AMC GP Sarl
- Amethis Investment Fund Manager S.A
- Amvest Investment Management
- Bank Nagelmackers nv
- BBGI SICAV S.A.
- Belfius Investment Partners
- Bouwinvest
- Carlisle Management Company
- CEECAT Capital
- De Nederlandsche Bank NV
- Diepensteyn NV

- Dynamic Credit Partners Europe B.V.
- E-Capital Equity Management
- Equinox AIFM S.A.
- Federatie Nederlandse Vakbeweging (FNV)
- Freo Group
- Groupe Bruxelles Lambert SA
- HLD Associés Europe
- ING Groep N.V.
- Innovation Industries
- InsingerGilissen Bankiers N.V.
- KJK Management SA
- Newion
- OAKK B.V.
- Ortec Finance
- Pemberton Asset Management S.A.
- Pensioenfonds Tandartsen en Tandarts-specialisten
- Söderberg & Partners Asset Management S.A.
- Sofina Group
- Spring Associates
- Stichting Bedrijfstakpensioenfonds voor het Schoonmaak- en Glazenwassersbedrijf
- Stichting Pensioenfonds Horeca & Catering
- Stichting Pensioenfonds Vliegend Personeel KLM
- Transtrend B.V.
- Vendis Capital
- Vesteda
- XENON AIFM S.A.

### BRAZIL

- APEX CAPITAL
- Brasil Capital
- BREI
- CRESCERA INVESTIMENTOS
- Integral Investimentos
- Integral Trust
- Quatá Gestão de Recursos LTDA

### CANADA

- AQTIS (Alliance québécoise des techniciens et techniciennes de l'image et du son)
- Atkinson Foundation
- Central 1 Credit Union
- Foresters Asset Management
- Galibier Capital Management Ltd.
- Galliant Advisors LP
- Grafton Asset Management
- iA Gestion de placements
- InstarAGF Asset Management Inc.
- La Fondation de l'Université de Sherbrooke
- LIONGUARD CAPITAL MANAGEMENT INC.
- Longview Asset Management Ltd.
- Mount Allison University

- National Bank Investments
- Nova Scotia Public Service Superannuation Trustee Inc.
- Quinn & Partners Inc.
- RP Investment Advisors LP
- Scheer, Rowlett & Associates Investment Management Ltd.
- Scotia Global Asset Management
- Sionna Investment Managers
- Sprott
- Stonebridge Financial Corporation
- Triasima Portfolio Management Inc.

## CHINA

- Beijing Huakong Investments Limited
- BOSERA FUNDS
- China Life Asset Management Company Limited
- China Southern Asset Management
- EverBloom
- Hua Xia Bank Asset Management
- Hwabao WP Fund Management Co., Ltd
- Penghua Fund Management Co., Ltd.
- QuantData Information Technology
- Share Capital
- Sichuan United Environment Exchange
- Starquest Capital
- YRD Institute of Green Investment
- ZD Proxy

## FRANCE

- Actis Asset Management
- AG2R La Mondiale
- AGRICA GROUP
- Alliance Entreprendre
- AMIRAL GESTION
- ArchiMed SAS
- Arkéa Capital
- Atlante Gestion
- Capital Fund Management S.A.
- COGEFI Gestion
- FINALTIS
- GARANCE
- GENERIS CAPITAL PARTNERS
- GINJER AM
- Hexagone Conseil
- Hexagone Finance
- Horizon Asset Management
- HOTEL INVESTISSEMENT CAPITAL
- HUGAU GESTION
- IDAM
- Indép'AM
- INFRAVIA CAPITAL PARTNERS
- INOCAP Gestion
- Keys Asset Management

- Mansartis
- Mata Capital
- MONETA ASSET MANAGEMENT
- PRUDENTIA CAPITAL
- Schelcher Prince Gestion
- Seeyond
- Suravenir

## GERMANY, AUSTRIA & SWITZERLAND

- ACATIS Investment Kapitalverwaltungsgesellschaft mbH
- Altrafin Group
- Aquila Capital
- AVADIS Anlagestiftung
- AVADIS Anlagestiftung 2
- B Capital Partners AG
- Baloise Asset Management
- Berner Kantonalbank
- BONUS Pensionskassen Aktiengesellschaft
- BW Equity GmbH
- Caisse de retraite du groupe Pictet
- caplantic GmbH
- Carnot Capital AG
- CEE Group
- CORESTATE Capital Group
- DJE Kapital AG
- Dominicé
- Empira
- ESG Portfolio Management
- FiNet Asset Management AG
- Finreon Ltd.
- Flossbach von Storch AG
- GET Capital AG
- Hérens Quality Asset Management AG
- Joh. Berenberg, Gossler & Co. KG
- KGAL GmbH & Co. KG
- LIQID Asset Management GmbH
- Loyal Finance AG
- Novartis Pension Fund
- Patrimonium Asset Management AG
- Perpetual Investors GmbH
- Pinova Capital
- Pittet Associates
- Quantica Capital AG
- ruvercap group AG
- Shareholder Value Management AG
- SMN Investment Services
- Solactive AG
- Sustainability Intelligence
- Swiss Life AG
- Swiss Life Asset Managers
- TECTA Invest GmbH



**JAPAN**

- Fukuoka Realty Co., Ltd.
- Grid & Finance Advisors
- Japan Real Estate Asset Management Co., Ltd.
- Japan REIT Advisors Co., Ltd.
- Meiji Yasuda Life Insurance Company
- Mizuho Real Estate Management Co., Ltd.
- Nextshift Co., Ltd
- Sekisui House Asset Management, Ltd.
- Sumitomo Mitsui Trust Bank, Limited

**LATIN AMERICA (EX. BRAZIL)**

- Acumen Latam Capital Partners, LLC
- BBVA Bancomer, Fondos de Pensiones
- CKD Infraestructura México
- Cuprum afp
- FIX SCR S.A.
- LarrainVial Asset Management
- Mesoamerica
- Moneda Asset Management
- Nexxus
- PRIMA AFP

**NORDIC**

- A.P. Møller Capital P/S
- Aktieinvest Fonder AB
- AP Pension
- AS Trigon Asset Management
- Asia Growth Capital Management
- Brunswick Real Estate AB
- Capital Four
- Certior Capital
- Eligo Asset Management AB
- Fokus Asset Management A/S
- Fondsinans Kapitalforvaltning AS
- Gjensidigestiftelsen
- Holberg Fondsinans AS
- ICECAPITAL REAM Ltd.
- Indecap
- Investerum
- ISP Pension
- Korkia Asset Management Oy
- Monyx Asset Management AB
- NorthPeak Governance LP
- Nysnø Climate Investments
- Pareto Alternative Investments AS
- Peak AM Alternative Investments AB
- PenSam
- Proxy P Management AB
- Saminvest
- Sensor Fonder AB
- StockRate Asset Management
- Storebrand Asset Management

- Storm Capital Management
- Strukturinvest Fondkommission
- Tellus Fonder
- Worthwhile Capital Partners
- Zenith Group

**REST OF ASIA**

- AIA Group Limited
- AvantFaire Investment Management Limited (Provisional Signatory)
- Constant Energy Group Holding Limited
- EASTvine Capital (Provisional Signatory)
- Essence Asset Management (Hong Kong) Limited
- Government Pension Fund of Thailand
- HI Asset Management
- Kotak Mahindra Asset Management
- Panarchy Partners
- SBI Funds Management Private Limited
- Spot Energy
- STONEHORN GLOBAL PARTNERS
- Triple P Capital
- VinaCapital Investment Management Ltd
- Wingspan Funds Advisors LLP (Provisional Signatory)

**SOUTHERN EUROPE**

- ANESVAD FOUNDATION
- Alantra
- Alpha Asset Management
- Alternative Capital Partners SGR S.p.A.
- Anima Sgr
- BancoPosta Fondi SGR
- Black Toro Capital
- Bridgestone Hispana Pension, F P
- Cassa di Previdenza Monte dei Paschi di Siena
- CREST CAPITAL PARTNERS
- DeA Capital Alternative Funds s.g.r.
- DeA Capital Real Estate SGR S.p.A.
- DiverInvest Corporate Family Office
- ENPAP - Ente Naz. Prev. e Ass. Psicologi
- EUROBANK ASSET MANAGEMENT MFMC
- Explorer Investments
- F2i - Fondi Italiani per le Infrastrutture SGR S.p.A.
- FONDAPI
- Fondo Italiano d'Investimento SGR S.p.A
- Fondo Pensione Monte dei Paschi di Siena
- Fondo Pensione per il Personale delle Aziende del Gruppo Unicredit
- Fundeen
- Gala Capital
- Meridia Capital
- Ocidental Pensões
- Piraeus Asset Management M.F.M.C.
- Poste Vita S.p.A.

- Pramerica SGR S.p.A.
- Principia SGR SPA
- PROA CAPITAL
- Sandman Capital Advisors EAFI
- Seed&Click
- Sherpa Capital
- TAGES CAPITAL

## UK & IRELAND

- Absolute Return Partners LLP
- Adelphi Capital LLP
- Advisors & Partners LLP
- AKO Capital LLP
- Alcentra
- Alder Capital Investment Management
- Alpcot Capital Management Ltd
- Amati Global Investors
- Ayma Capital
- AnaCap Financial Partners
- Ancala Partners
- Architas Limited
- Arkadiko Partners LLP
- Aspect Capital Limited
- ATLAS Infrastructure
- Atomico (UK) Partners LLP
- B&CE
- Banor Capital Ltd.
- Beechbrook Capital LLP
- Bidwells LLP
- Bowmark Capital
- Brewin Dolphin
- Cairn Capital Group Limited
- Cantab Asset Management
- Capital and Asset Management Group LLP
- Capital D
- Carne Global Fund Managers (Ireland) Limited
- Causeway Capital
- Chelsfield
- City of London Corporation
- Coupland Cardiff Asset Management LLP
- COUTTS & COMPANY
- CRUX Asset Management
- Daymer Bay Capital
- ECO Advisors (Provisional Signatory)
- Equistone Partners Europe
- EVENLODE INVESTMENT
- Exergy Capital Management LLP (Provisional Signatory)
- Exponent LLP
- Fidra
- Findlay Park Partners
- Force Over Mass Capital LLP
- Fundamentum Property Limited
- G Squared Capital LLP ("G2")
- Gemcorp Capital LLP
- GIB UK
- GK Investor Services
- Gravis Capital Management Ltd
- Hadron Capital LLP
- Hayfin
- INDOS Financial
- International Asset Management Limited
- Iona Capital Limited
- JLT Investment Solutions
- John Lewis Partnership Trust for Pensions
- Just Group Plc
- Kimura Capital LLP
- Kintbury Capital LLP
- Leadenhall Capital Partners
- LGPS Central
- Liontrust Investment Partners LLP
- Local Pensions Partnership
- London CIV
- LumX Group Limited
- MainStreet Partners
- Marathon Asset Management LLP
- Merian Global Investors
- Minerva Money Management Limited
- Mineworkers' Pension Scheme
- MML CAPITAL PARTNERS
- National Grid UK Pension Scheme
- Nestor Advisors
- Nutmeg Saving and Investment
- NVM Private Equity LLP
- Octopus
- OLIM Investment Managers
- Orchard Street Investment Management LLP
- Pallinghurst GP Limited
- Palm Capital Advisors Limited
- Polar Capital
- Prime Advocates
- Quilter plc
- Record Currency Management
- Rede Partners LLP
- Resco Asset Management
- RM Funds
- SCIO Capital LLP
- Seilern Investment Management
- Smith & Williamson Investment Management LLP
- Somerset Capital Management LLP
- Spire Partners LLP
- Stirling Square Capital Partners
- Sustainable Income Advisors Limited (Provisional Signatory)
- SVM Asset Management Limited
- Temporis Capital Ltd
- The River and Mercantile Group (R&M)

- Three Hills Capital Partners LLP
- Tosca Debt Capital LLP
- Tufton Oceanic Ltd
- Tyndaris LLP
- University College Cork
- University of Manchester
- Vantage Infrastructure
- Veritas Investment Management

## US

- 1Sharpe Capital LLC
- Advent Capital Management, LLC
- Aetos Alternatives Management, LP
- AJF Financial Services, Inc.
- Aksia
- American Century Investment Management, Inc.
- Angeleno Group
- Aperture Investors (Provisional Signatory)
- ARGA Investment Management, LP
- Arnerich Massena
- ARP Investments
- Artisan Partners
- Atlanta Consulting Group
- AVAIO Capital (Provisional Signatory)
- Bailard Inc.
- Berkeley Partners
- Blackcrane Capital, LLC
- Bond&Devick Wealth Partners
- Calamos Investments LLC
- Callan
- Canterbury Consulting
- CDC Deposits Corp.
- CenterSquare Investment Management LLC
- Church Investment Group
- City of Chicago (City Treasurer's Office)
- Cohen & Company
- Compass Group
- Corsair Infrastructure Partners, L.P.
- Covenant Capital Group, LLC
- CSE - Center for Sustainability and Excellence
- Decatur Capital Management Inc.
- Duff & Phelps Investment Management Company
- EagleTree Capital
- Employees' Retirement System of the State of Hawaii
- Epoch Investment Partners, Inc
- ESG FORCE LLC
- Fairpointe Capital, LLC
- FFL Partners
- Fitch Group, Inc
- Friends Fiduciary Corporation
- G Squared Equity Management, L.P.
- Gavion, LLC
- GI Partners
- Glenmede
- Global Thematic Partners
- Granahan Investment Management, Inc.
- Greenspring Associates, Inc.
- Harris Associates L.P.
- IMPACT Community Capital
- Inherent Group, LP
- Jackson Square Partners
- Jantz Management LLC
- Kairos Investment Management Company
- Kandeo Asset Management
- Karner Blue Capital, LLC (Provisional Signatory)
- Kayne Anderson Rudnick Investment Management, LLC
- Kennedy Capital Management, Inc.
- Kopernik Global Investors, LLC
- KraneShares
- Kuramo Capital Management
- L Catterton
- LibreMax Capital, LLC
- LM Capital Group, LLC
- LMCG Investments, LLC
- Lyrical Asset Management LP
- Martingale Asset Management, L.P.
- Maryland Capital Management, LLC ("MCM")
- MBC Strategic
- Mercatus, Inc.
- Mercy Investment Services, Inc.
- Merganser Capital Management, LLC
- MetLife Investment Management
- Minnesota State Board of Investment - Combined Funds
- Mosaic Real Estate Investors
- New Energy Capital Partners, LLC
- New Mountain Capital
- Nuveen, a TIAA Company
- Oak Hill Advisors
- Oberweis Asset Management
- Office of the Illinois State Treasurer
- Orion Energy Partners
- P. Schoenfeld Asset Management LP
- Parametric Portfolio Associates
- PERKINS INVESTMENT MANAGEMENT LLC
- Pier Capital, LLC
- PIPV Capital
- Polen Capital Management, LLC
- PPM America, Inc.
- QS Investors
- Ranger Investment Management, LP
- Reams Asset Management, a Division of Scout Investments
- Reinsurance Group of America, Incorporated
- Ridgewood Energy
- Ridgewood Infrastructure

- Riverbridge
- Roha Group Inc
- Ryan Labs Asset Management Inc.
- Seasons of Advice Wealth Management, LLC.
- SEI Investments Company
- Snow Capital Management L.P.
- Tangency Capital Ltd.
- The Forestland Group LLC
- The TCW Group, Inc.
- The Vistria Group
- THL Credit
- Thomas Schumann Capital LLC
- Tiedemann Wealth Management
- Tortoise Investments, LLC
- Tremblant Capital
- Unison Investment Management, LLC
- Unitarian Universalist Common Endowment Fund, LLC
- University of New Hampshire Foundation
- Vermont Pension Investment Committee (VPIC)
- Verto Management, LLC
- WCM Investment Management
- Westwood Holdings Group
- WisdomTree Investments, Inc.
- ZEBRA CAPITAL MANAGEMENT, LLC

## FORMER SIGNATORIES

Between April 2018 and March 2019, 89 organisations ceased to be signatories. This includes organisations choosing to relinquish signatory status (53), membership changes due to mergers and acquisitions involving other signatories (22) and organisations that ceased to exist (3). Ten signatories were delisted by the PRI for failing to participate in the reporting and assessment process.

## CHOSE TO LEAVE

- Altere Securitizadora
- amLeague
- ARC Fiduciary
- Arrow G Capital
- Astra Investimentos
- Audley Mineral Resources Management LLP
- Banque Bonhôte & Cie SA
- Bravia Impact Assets
- Cadiz Holdings
- Cardano Development
- City of Espoo
- Coding Ant GmbH
- CoPower
- Coppin Collings Ltd
- Daruma Capital Management, LLC
- Element Partners
- Fonds 1818
- Fortuna Asset Management Communications
- Frontier Impact Capital
- Global Footprint Network
- Grameen Crédit Agricole Microfinance Foundation
- Heliot Vermogensbeheer NV
- Highland Capital Management
- Hub Culture / Ven Currency
- IMPACT Partenaires
- Innovacom Gestion
- ISAM
- JLens Investor Network
- Kaeté Investimentos Ltda
- KEY Associados
- Korea Corporate Governance Service (KCGS)
- Le Mouvement d'éducation et de défense des actionnaires (MÉDAC)
- LimeVest Partners
- MVision Private Equity Advisers
- Novaster
- Origami Consultoria em Gestão de Negócios Sustentáveis Ltda
- Pampa Capital Management LLP
- Pennam Partners
- Qube Investment Management Inc.
- Radce Consultoria e Participações Ltda
- River Hollow Partners
- Santro Invest AG

- Sciteb Ltd
- SDS Int'l Group
- Spudy Family Office GmbH
- Swell Asset Management
- The Abraaj Group
- Thomson Reuters
- Tiber Capital LLP
- Unity Incorporation
- Value Adviser Associates
- VaR Capital
- Varainhallinta Tresor Oy

#### DELISTED FOR FAILING TO REPORT

- BA Desarrollo
- Ciloger
- COMANCO
- Empirical Asset Management, LLC
- FINANCE-SA
- IDF Capital
- Juniata College
- NewWorld Capital Group, LLC
- Oquendo Management Sarl
- Tomorrow's Company

#### MERGED/SPLIT MEMBERSHIPS (INCLUDING DUE TO M&A BETWEEN SIGNATORIES)

- ACG Capital
- Alantra Asset Management SGIC SA
- Alexander Forbes Asset Consultants
- Aquila Capital Green Assets GmbH
- Fiera Capital (UK) Limited
- Fiera Comox Partners Inc.
- First Investments BV
- ING Groenbank N.V.
- Lancashire County Pension Fund
- Liontrust Investments Limited
- London Pensions Fund Authority (LPFA)
- N+1 Private Equity
- OceanRock Investments Inc.
- ODDO BHF Asset Management GmbH
- oekom research AG
- Pax World
- Pioneer Global Asset Management S.p.A
- Standard Life Investments
- Standish Mellon Asset Management
- SYZ Asset Management (Switzerland) SA
- The Boston Company Asset Management, LLC
- Think ETF Asset Management

#### MERGED WITH OR TAKEN OVER BY NON-SIGNATORY

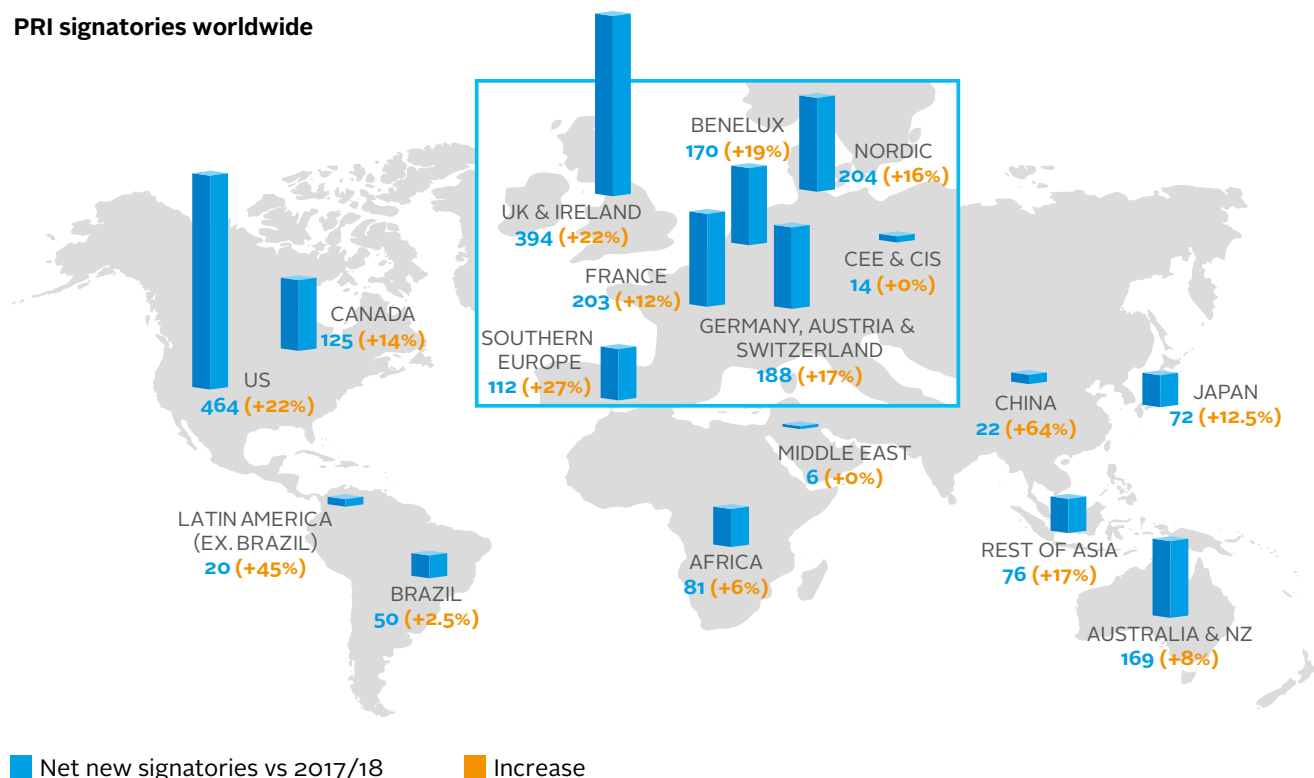
- IDFC

#### CEASED TO OPERATE

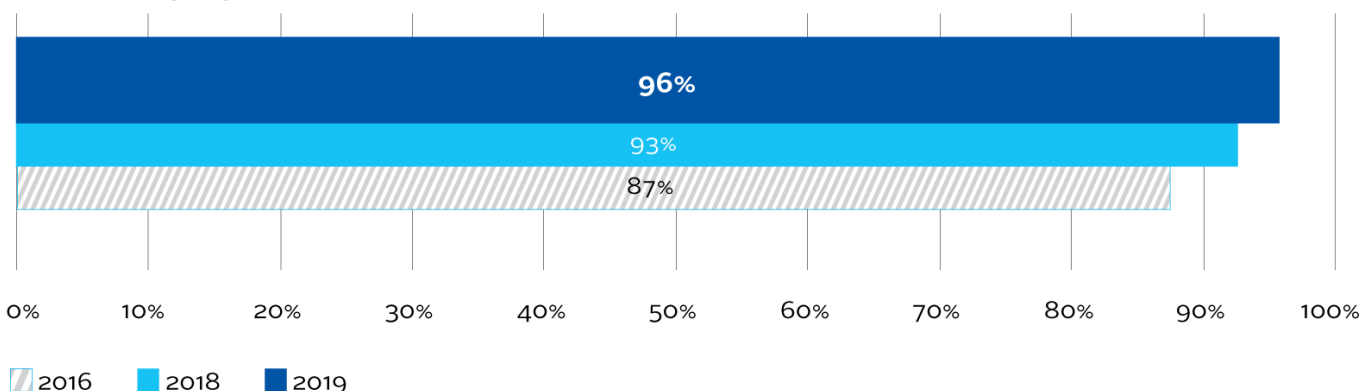
- Hastings Funds Management Limited
- METAFORM INVESTMENTS INC.
- Quotient Investors

# 2018/19 IN NUMBERS

## PRI signatories worldwide

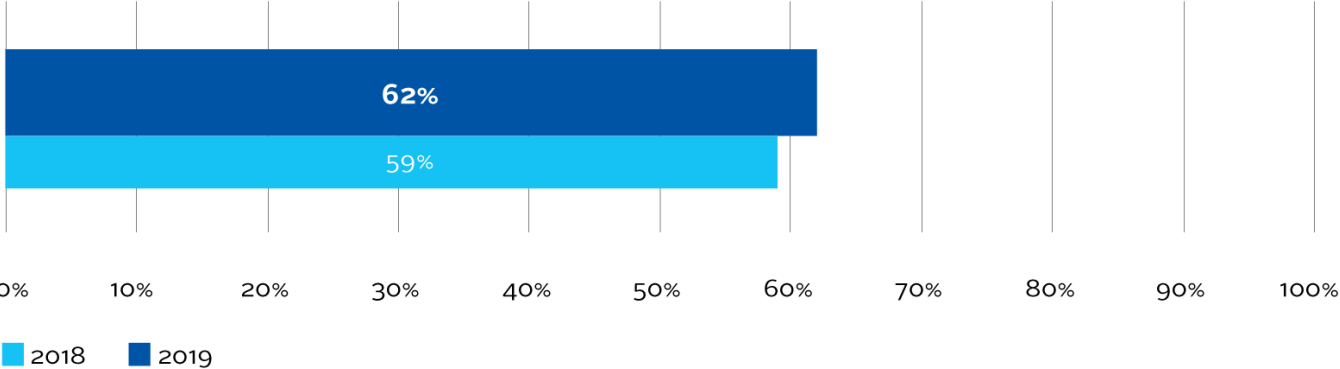


## Asset owner signatories having a mission, strategy or investment policy referencing responsible investment\* that covers the majority of their AUM



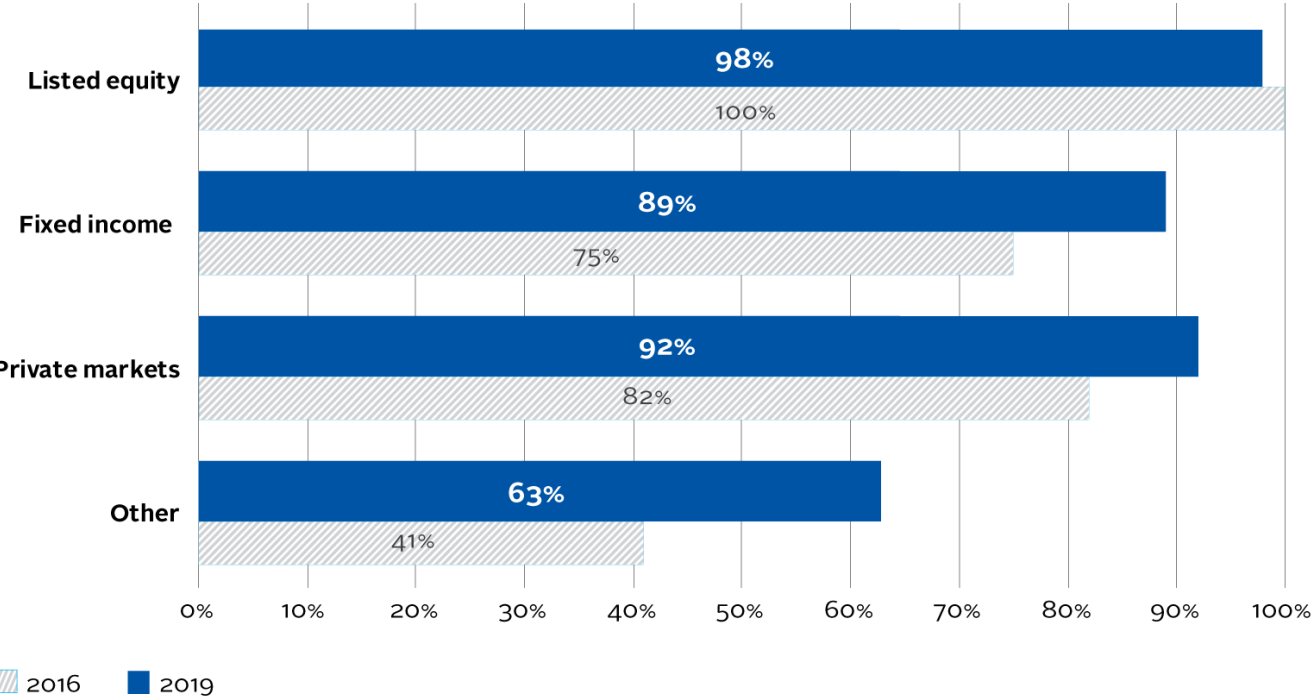
\*(or a related concept)

**Asset owner signatories\* considering responsible investment at all stages of selecting, appointing and monitoring managers**

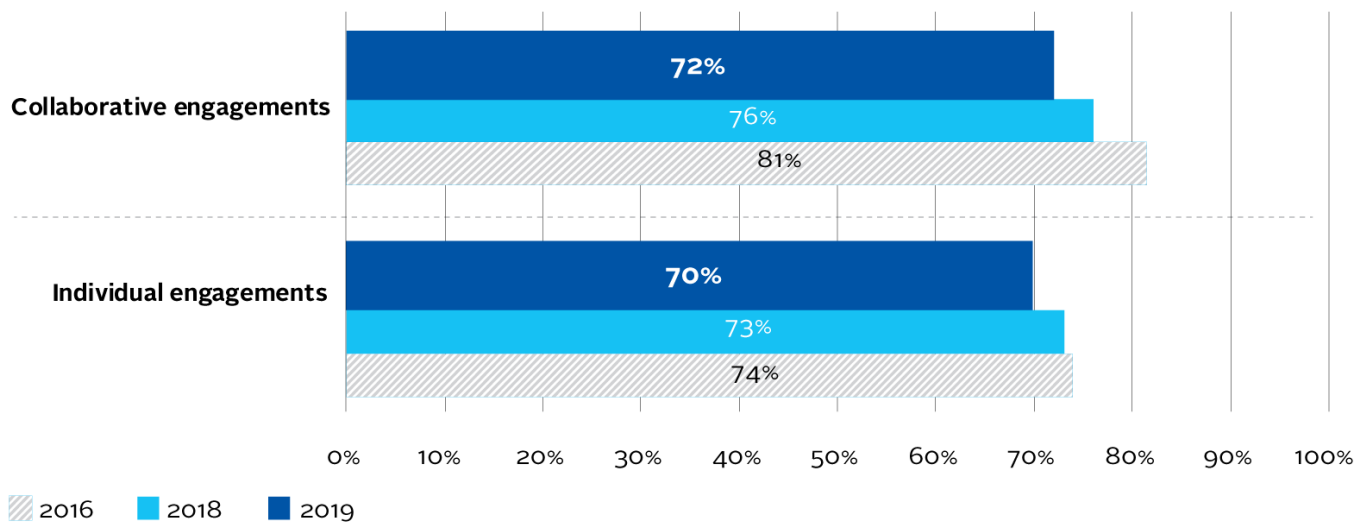


\*that use external managers

**Signatories incorporating ESG issues (to any extent)**

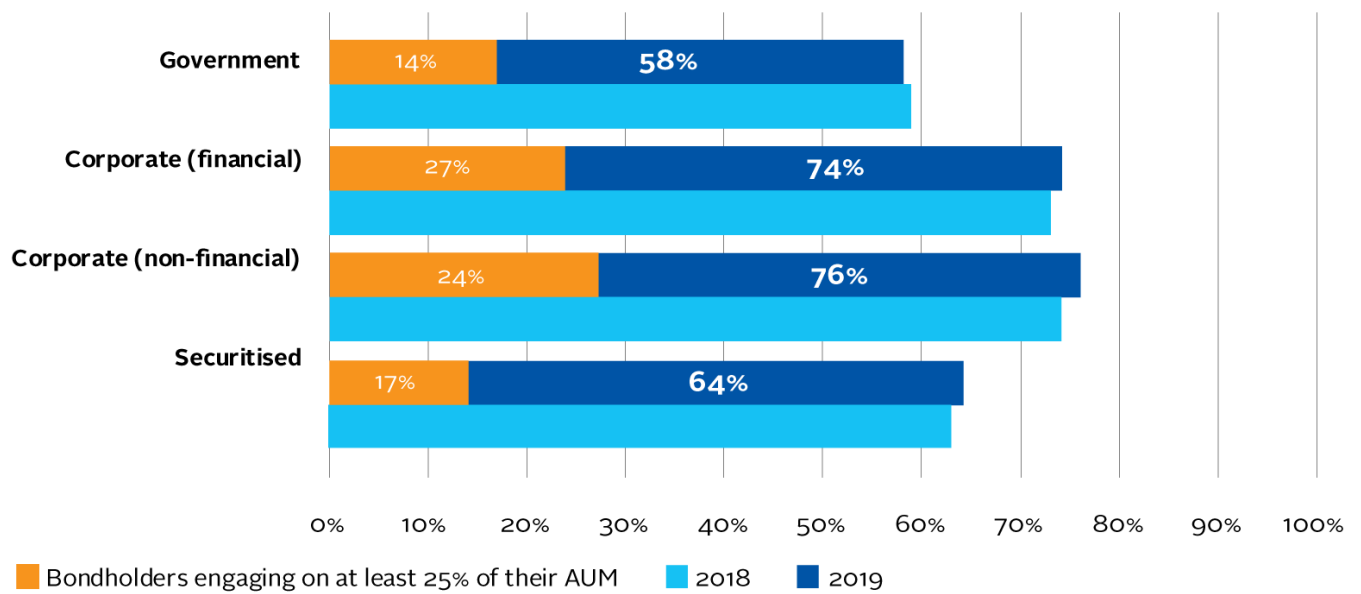


### Signatories\* setting objectives on the majority of their engagements



\*that report engagement activities

### Bondholders engaging with issuers





Number of signatories that the PRI engaged with due to being below the minimum requirements in 2018

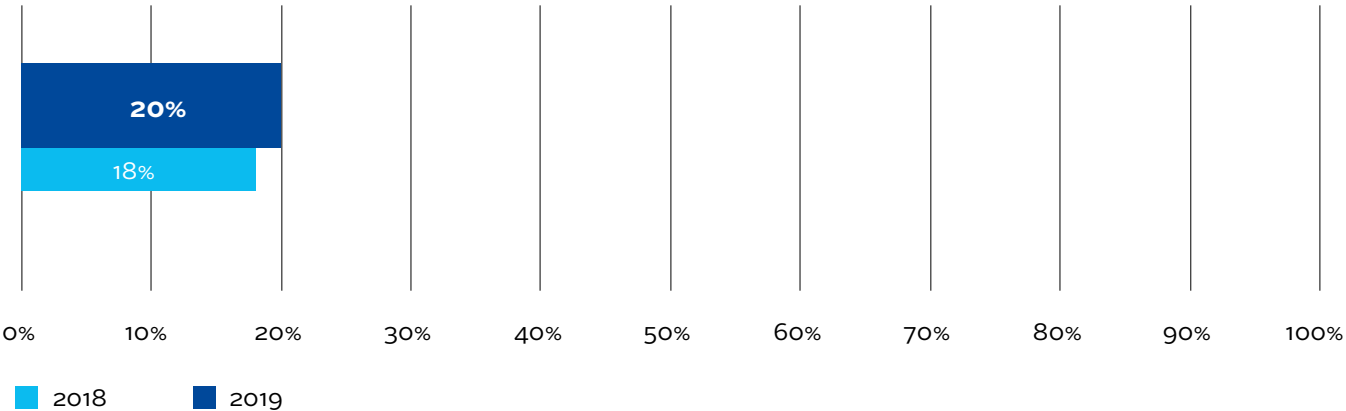
121

PRI engagement

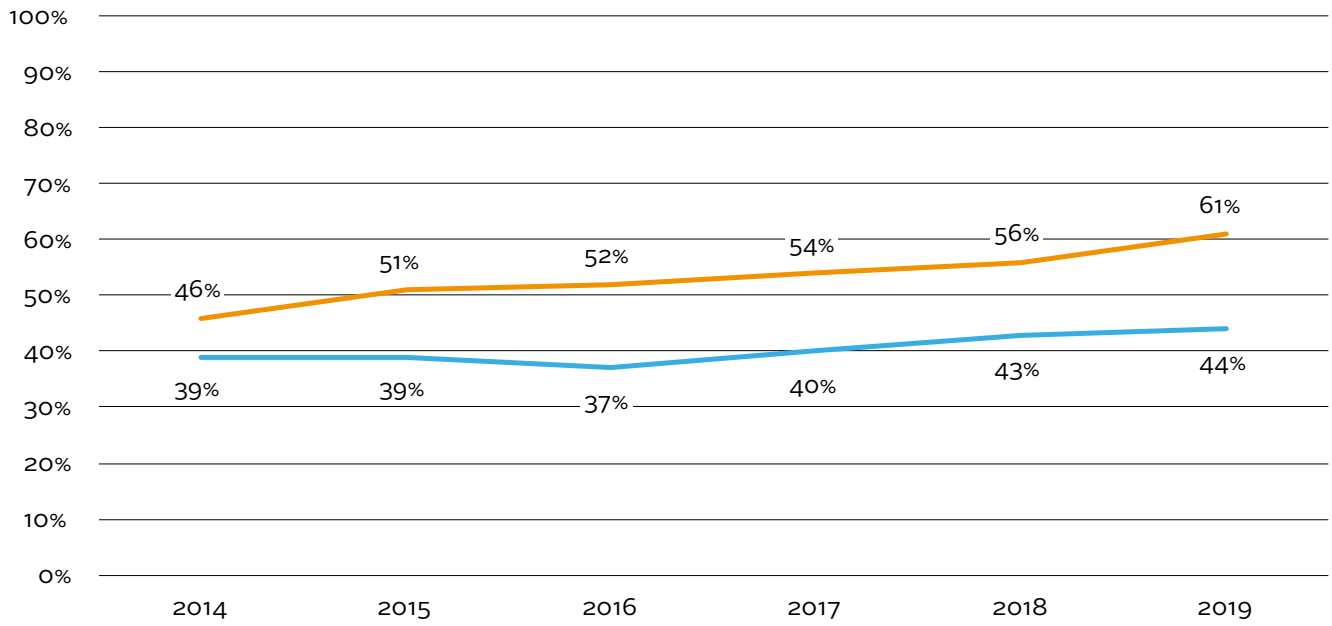
$\frac{2}{3} +$  met the requirements in 2019



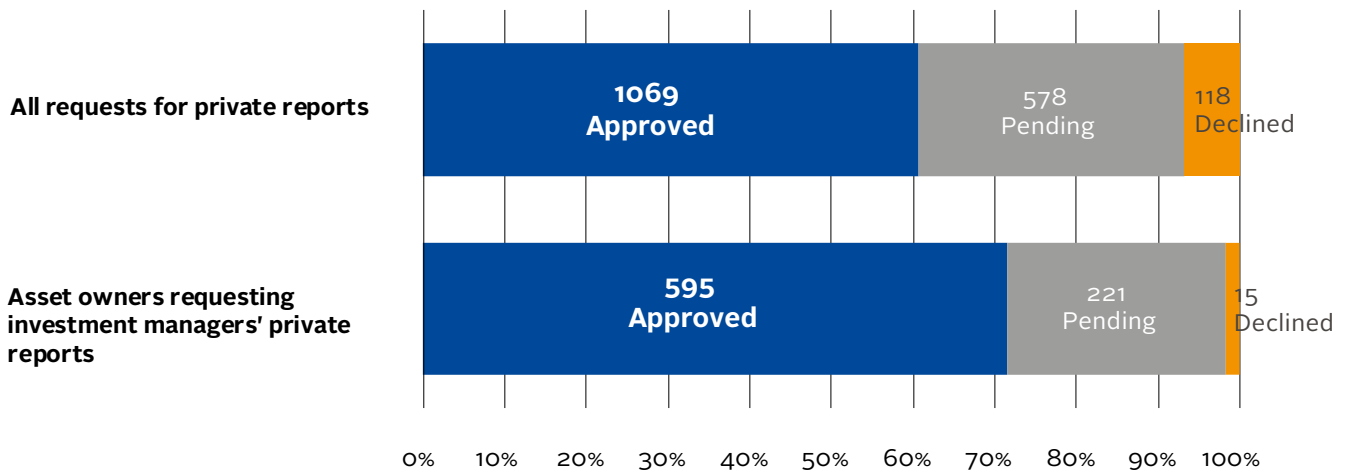
Percentage of voluntary reporting indicators that signatories chose to publicly disclose



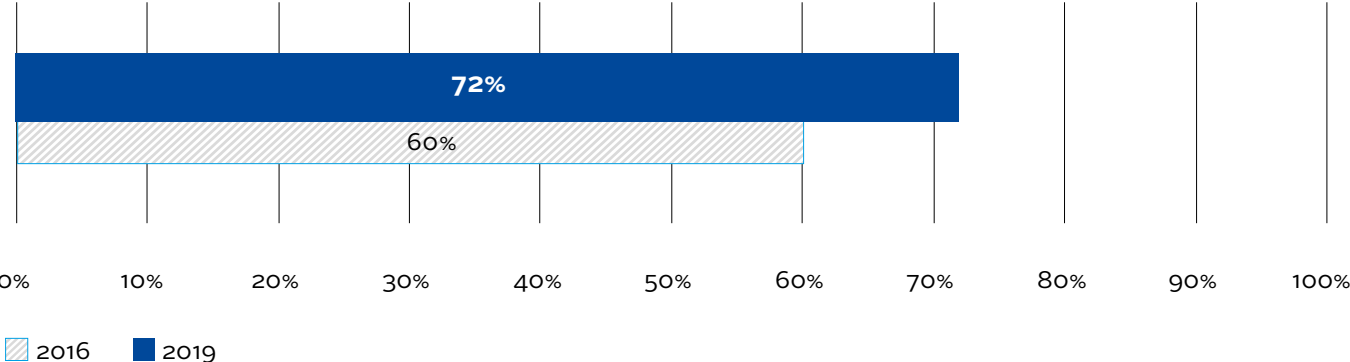
### Signatories engaging with policy makers



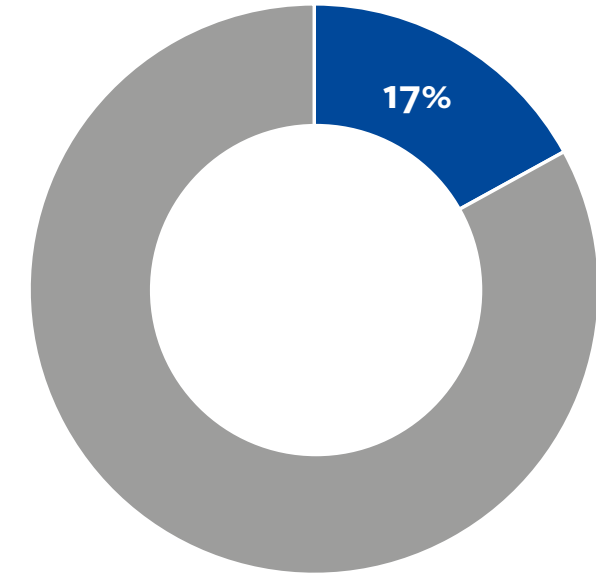
### Requests to view private reports on the PRI Data Portal



**Signatories specifying actions taken to address climate-related risks and opportunities**

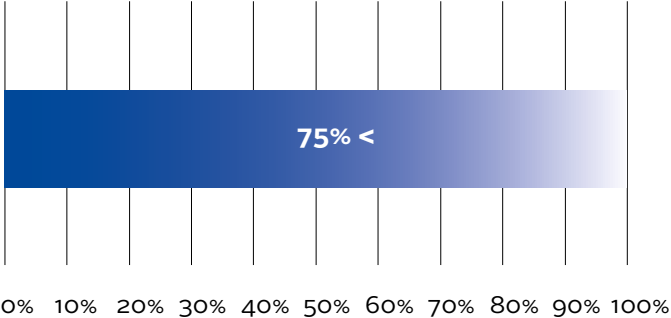


**Asset owner signatories\* requesting private reports from investment manager signatories**



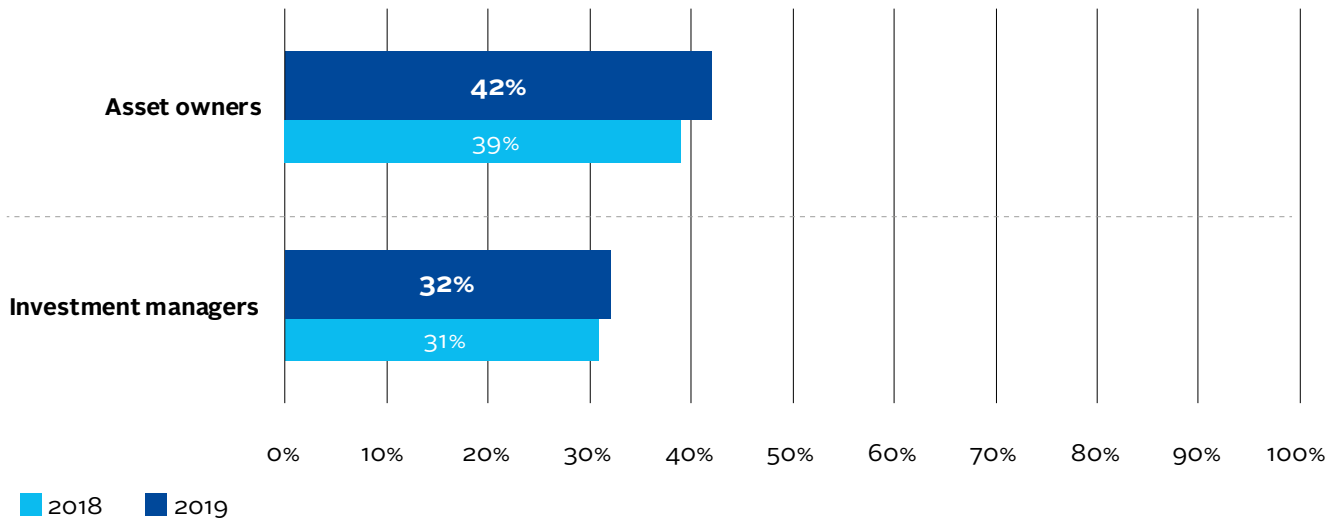
■ Yes   ■ No  
\*that use external managers

**Signatories whose public reports have been viewed by other signatories\***

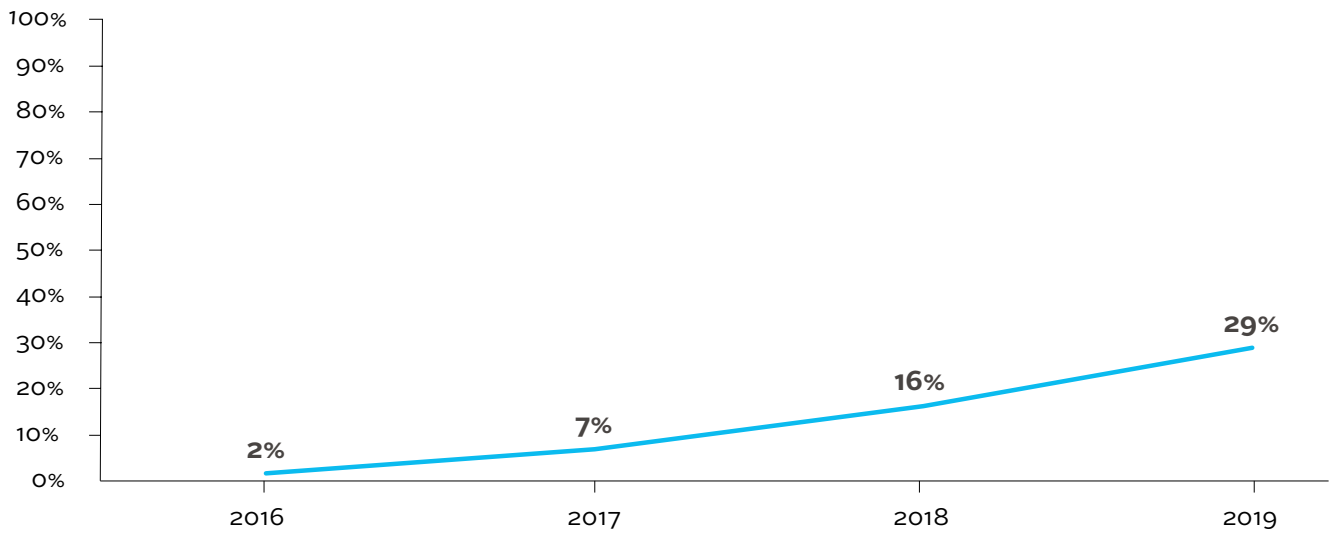


\*Figure relates to views on the PRI Data Portal, but public reports are also available on the PRI website.

### Signatories choosing to answer optional TCFD-aligned questions on climate change



### Signatories mentioning the SDGs during their PRI reporting



## The Principles for Responsible Investment (PRI)

The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

More information: [www.unpri.org](http://www.unpri.org)



## The PRI is an investor initiative in partnership with **UNEP Finance Initiative** and the **UN Global Compact**.

### United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a unique partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 200 financial institutions that are signatories to the UNEP FI Statement on Sustainable Development, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

More information: [www.unepfi.org](http://www.unepfi.org)



### UN Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 Local Networks.

More information: [www.unepfi.org](http://www.unepfi.org)

