Principles for Responsible Investment

HOW CAN A PASSIVE INVESTOR BE A RESPONSIBLE INVESTOR?

ESG & PASSIVE INVESTMENT STRATEGIES

SIGNATORY CONSULTATION RESULTS

UNEP FINANCE INITIATIVE

United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

THE SIX PRINCIPLES

PREAMBLE TO THE PRINCIPLES

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1 We will incorporate ESG issues into investment analysis and decision-making processes.

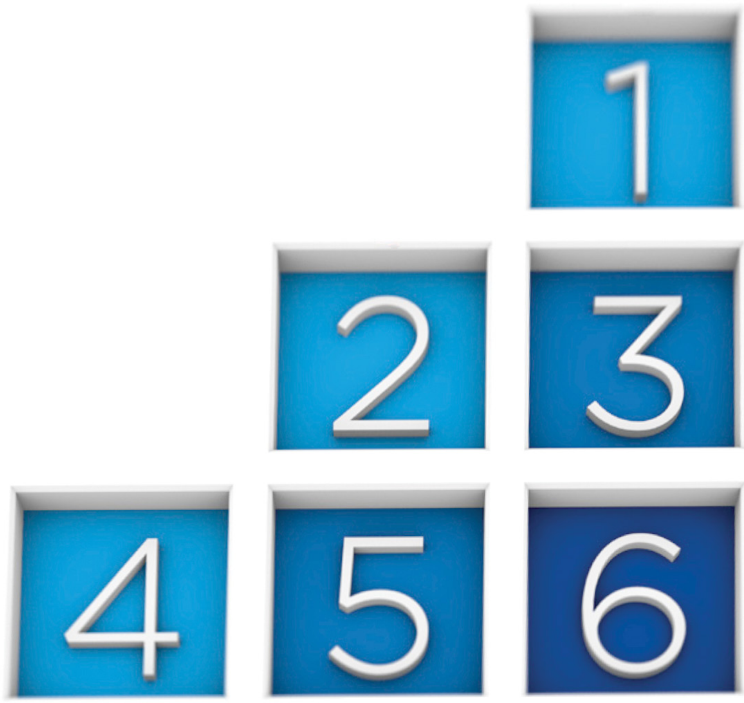
2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4 We will promote acceptance and implementation of the Principles within the investment industry.

5 We will work together to enhance our effectiveness in implementing the Principles.

6 We will each report on our activities and progress towards implementing the Principles.



PRI's MISSION

We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

CONTENTS

EXECUTIVE SUMMARY

The passive investment market has grown dramatically in recent years, driven by factors including low costs, evidence of the relative benefits of passive versus active investing, and new financial products such as exchange-traded funds. This trend has combined with growing interest among investors in ESG incorporation, resulting in a parallel growth in passive ESG investing.

The PRI is seeking to provide guidance to signatories and the wider market on the incorporation of ESG issues in passive rule-based investments, and regarding challenges faced by the market.

As a first stage in producing this guidance, the PRI published a discussion paper titled How can a passive investor be a responsible investor? This was followed in the second half of 2019 with a consultation process undertaken by the PRI, which involved two industry events and a signatory survey. This report synthesises views expressed by participants in those industry events and respondents to the survey.

It is divided into two sections, covering:

- ESG incorporation (focused on the development of ESG indexes) and:
- Active ownership (focused on engagement approaches across passive or quant-based investment strategies, including ESG indexes)

ESG INCORPORATION

Passive investing still requires an active decision around the choice of the passive index and the benchmark against which performance is measured. This decision might include incorporating ESG factors into the construction of these indexes or benchmarks. Here, challenges exist around index complexity, index and fund transparency, and how to compare between ESG indexes.

Data quality and availability are perennial concerns for responsible investors. Most issues – such as data availability, standardisation, reliance on voluntary reporting, and the backward-looking nature of ESG data – are not unique to the passive investment market, but were nonetheless raised by participants. They also discussed the potential role of regulators in designing and constructing benchmarks.

ACTIVE OWNERSHIP

Regarding active ownership among passive investors, the need for more collaborative engagement was raised frequently by participants, while resource constraints – particularly among smaller asset managers and asset owners – are seen to be holding back progress.

Participants identified the need for asset owners to encourage the largest passive asset managers to undertake corporate engagement. They also discussed the various engagement tools available to passive investors and considered their merits and demerits. Divestment, in particular, was discussed as a unique challenge for passive investors.

NEXT STEPS

Finally, and based upon consultation feedback, this report highlights next steps for asset owners, asset managers and regulators.

Asset owner next steps include improving disclosure and reporting by asset managers, and reconsidering benchmark or index selection.

For asset managers (and service providers), they include: adopting more collaborative approaches to engagement; developing public approaches to systemic issues such as climate change and governance; ensuring new financial products are constructed and marketed in a transparent and consistent manner; promoting better corporate ESG data; and ensuring that ESG rankings and scores are based on transparent and consistent processes, and that any changes to indexes or benchmarks are accompanied by clear explanations.

Regulators, meanwhile, should encourage clear and consistent reporting, and review acting-in-concert guidelines to ensure these do not prevent collaborative engagement.

Alongside these consultation results, the PRI has published a series of case studies to show good practice in the industry.

It has also created a Passive Investment Reference Group, open to asset owner, investment manager and service provider signatories. In the coming months, the PRI intends to reflect on this consultation process and develop further guidance.

TELL US WHAT YOU THINK

The PRI welcomes readers' feedback on the content of this consultation results paper as it works towards identifying best practice solutions for passive investors with a focus on responsible investment. Please contact passiveinvestments@unpri.org to share your thoughts

CONSULTATION OUTCOMES

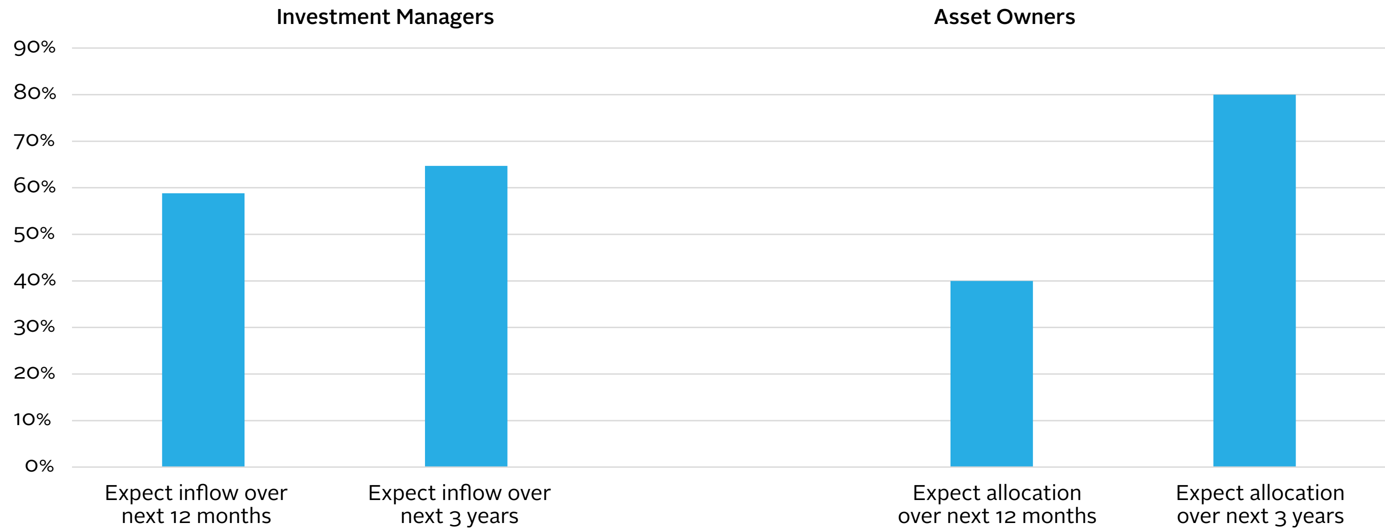
In 2019, the PRI launched a consultation process to gather signatory feedback on the challenges to and solutions for the integration of ESG factors into passive investment strategies. The process – which involved roundtable discussions at PRI events in New York and Paris and a detailed signatory survey – is intended to inform future guidance from the PRI on the subject. Further detail on the consultation process can be found in the Appendix. Background on the responsible investment issues faced by passive investors can be found in a discussion paper published in the summer 2019.

This section covers the results of the consultation. Unless indicated otherwise, the views below are those expressed by survey respondents, and do not necessarily represent positions or policy of the PRI, or the majority view of signatories or roundtable participants.

EXPECTED MARKET GROWTH

As a first step, the consultation looked at the overall structure of the market. Asset owners and investment managers were asked their views on expected inflows/ allocations towards ESG passive investment strategies for the next three years (see Figure 1). Results show the expected increase in allocation towards ESG index products. This investment strategy is set to continue to grow, with most asset owners expecting a shift in their allocation to such products over a three-year horizon. A smaller number expect an increase over the coming 12 months, perhaps reflecting the mandate review cycle.

Figure 1: Capital inflows to passive ESG products

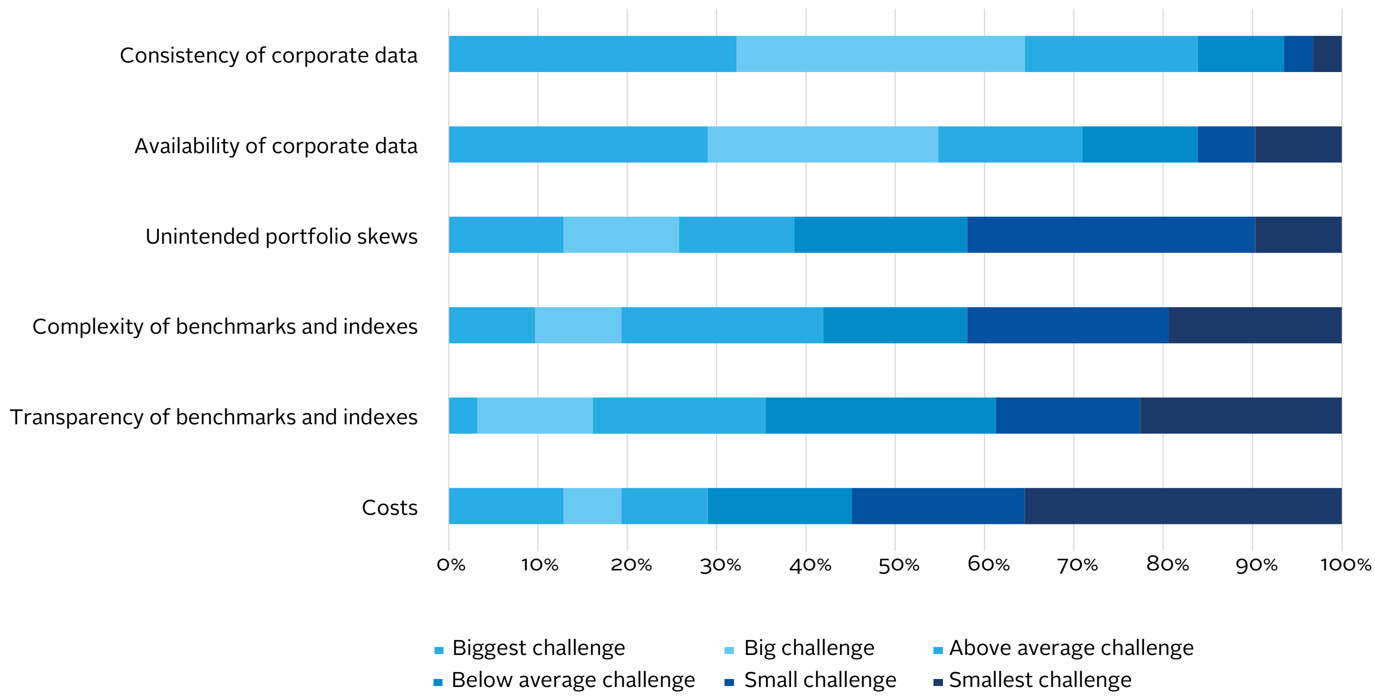


ESG INCORPORATION

This section focuses on discussions around the decision to incorporate ESG factors into passive investment strategies or benchmarks. It addresses topics around index construction and benchmark selection, and highlights some of the current issues regarding data. This is largely related to PRI's Principle 1.

PRI signatories were asked where they see the current challenges to ESG incorporation in passive investment strategies. Figure 2 presents challenges as ranked by survey participants. The lack of consistent and readily available data were cited by more than 80% and 70%, respectively, of respondents. Introducing unintended portfolio skews into portfolios, due to ESG screening and/or tilting, was highlighted as an important challenge for asset owners and asset managers incorporating ESG factors into passive products. Costs were not viewed as a primary concern when considering an ESG passive product versus a traditional non-ESG product. However, investment managers rank cost pressures more highly than asset owners (see Figures 7 and 8 in the Appendix for more details).

Figure 2: Challenges in incorporating ESG factors into passive strategies



PASSIVE INVESTING AND ACTIVE DECISION MAKING

Respondents observed that a passive investment strategy involves active decisions around the selection of the ESG benchmark, index and investment manager. Asset owners felt they should be able to challenge investment managers on their choice of an ESG benchmark or index. In this context, the concept of what is defined as passive was challenged by respondents – given that ESG index construction and selection are active decisions. Another important active decision is the balance struck between investors' investment beliefs and constraints – for example, the trade-off between incorporating climate scenarios and taking account of risk appetite or volatility limits.

BENCHMARKS AND INDEX CONSTRUCTION

Benchmark construction was discussed, with particular focus on the complexity of the products and the lack of transparency around index or benchmark construction.

Despite the introduction of the first ESG indexes as long ago as 1990, the market is still considered immature by some respondents. Many respondents also expressed the belief that negative screens are the most popular methodology in ESG passive strategies to date. Many market participants remain concerned by deviations in tracking error from a market capitalisation-weighted benchmark when incorporating ESG screens or tilts. This is one of the unresolved issues for investment strategies that incorporate quantitative processes and is not specific to ESG products.

Challenge – complexity

Index and benchmark complexity were repeated discussion points, particularly related to the differences between indexes offered to institutional investors, and the subjective nature of some screening, weighting or tilting decisions in the index construction process. This complexity means that selecting suitable ESG indexes can be a difficult task for asset owners. It was also pointed out by some respondents that asset owners may not feel empowered to change or challenge the selection or construction of underlying ESG benchmarks, with bespoke solutions only available for large asset owners. Some leading asset owners have applied ESG performance benchmarks across all active and passive managers to ensure consistent and comparable ESG incorporation. Meanwhile, some roundtable participants called for investment managers to provide transition scenarios for portfolio holdings (e.g. on Paris Agreement-aligned 2°C climate scenarios) and to demonstrate how those would affect benchmark or index construction.

Some participants mentioned the role regulators could play in the development and regulation of the ESG passive investment industry, specifically in improving definitions and increasing standardisation. Climate reporting tools such as the Task Force for Climate-related Financial Disclosures framework or the EU Sustainable Finance Taxonomy could aid this development.

Challenge – technical requirements

Some respondents argued that certain ESG factors or signals which had been correlated with, or contributed to, historic outperformance may not in the future. The lack of consistent and reliable historical data has been one of the main constraints to the usefulness of ESG data in exercises such as historic performance testing or modelling.

Tracking error was also raised as an issue. Some participants said that optimised passive indexes and portfolios could ensure a balance between ESG exclusions or tilts and the setting of tracking error limits. More progressive approaches include allowing a greater degree of tracking error or the redefinition of the underlying benchmark. Asset owners and asset managers flagged that methodology changes by service providers make performance tracking difficult. Participants are confident that long-term options are available in the market but argued that they have not gone through sufficient business cycles to be considered robust. However, product choice is widening, and the liquidity of these products is improving, enabling asset owners to include them as core portfolio fund holdings.

Challenge – transparency

Due to a lack of transparency, asset owners, trustee boards, and individual savers might find it difficult to understand index methodologies, with inconsistencies regarding the definition of ESG in index products creating confusion. Given the range of products available to investors, there is a need for consistency in describing their characteristics to ensure comparability in the market. To guide this process, asset owners have an important role to play in communicating to investment managers about the passive product characteristics they desire. Participants found that pooled funds could benefit from asset owners developing consistent views on specific ESG issues and processes in collaboration with their co-investors.

> "We need better client reporting, improved transparency around benchmarks and clear voting practice."
>
> Asset owner workshop participant

A number of participants suggested a minimum standard of disclosure could help asset owners select suitable benchmarks and aid the index construction process.

From an asset owner perspective, it can be difficult to draw clear lines of accountability between index providers and investment managers. At the same time, participants stated that it is important for asset owners to be involved in active and regular dialogue with passive investment managers. Regarding fixed income ESG indexes, one participant asked what services investment managers provide, given the more limited ability to undertake active ownership in the asset class. There is a need for the development of asset class-specific characteristics for passive products, participants said.

DATA QUALITY AND AVAILABILITY

ESG data issues are a recurrent issue across much of the asset class-specific work the PRI has undertaken – and the passive investment roundtable discussions were no exception. Common issues included: gaps in small company and emerging market data; the lack of standardisation; the reliance on voluntary reporting; and the backward-looking nature of ESG data.

Participants raised specific concerns relating to environmental and social data. There was a concern that a lack of data consistency and ranking methodologies, based on subjective analyst judgment, undermined the basis for constructing ESG indexes or benchmarks.

Respondents highlighted the need to select or filter data, focusing on material data points relevant to specific businesses or sectors, with the Sustainability Accounting Standards Board mentioned as a useful framework. At the same time, participants feel that the downward pressure on fees can negatively affect the ability of providers to accurately identify and research such signals. Thematic indexes (e.g. low-carbon indexes) provide a packaged approach at a lower cost. Some participants raised concerns about portfolio managers' reliance on single data points and urged them to make use of more than one data provider or source in the construction of benchmarks.

Regarding reporting to clients, survey participants identified the voting records of investment managers as an area requiring improvement but also suggested that asset owners should support the standardisation of reporting frameworks and disclosure.

The roundtables discussed how regulators could promote better data and disclosure to clients, but concerns were raised about regulators playing a role in constructing benchmarks, given the rapid evolution of the market and the expertise required.

THE ROLE OF THE EU SUSTAINABLE FINANCE TAXONOMY IN PASSIVE INVESTMENTS

In December 2019, the European Union reached agreement on its Sustainable Finance Taxonomy, which sets out which economic activities are deemed to be sustainable.

Consultation respondents expect the EU taxonomy to:

- Drive the creation and adoption of new benchmarks and passive investment products;
- Require more in-depth analysis of companies before they can be included in taxonomy-aligned benchmarks (requiring new industry tools);
- Provide clarification, consistency and comparability of environmentally sustainable activities;
- Lead to larger tracking errors against traditional benchmarks, as a result of the precise definitions it will provide of environmentally sustainable activities;
- Harmonise fund reporting and disclosure, while allowing for product innovation;
- Raise the profile of the EU Climate Transition Benchmark and the EU Paris-aligned Benchmark;
- Create ESG signals for benchmarking purposes;
- Require the markets to find suitable products through an iterative process and investors to observe added value;
- Incentivise investors to reallocate from equity to fixed income to fill a lending gap for the transition to a low-carbon economy; and
- Create better mechanisms to detect greenwashing and light-touch ESG screening.

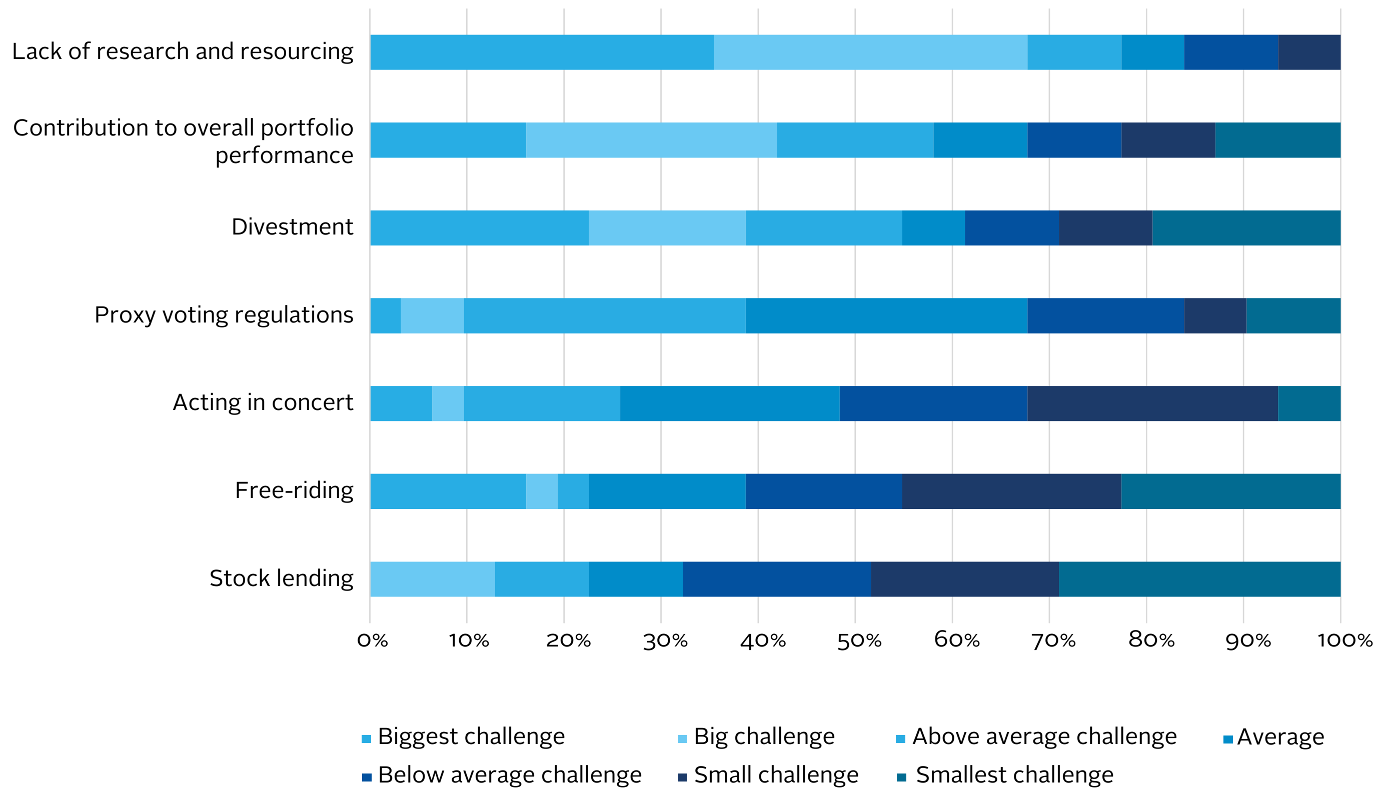
> "This [framework] has the potential to address much of the greenwashing and confusion currently observed in the investment space."
>
> Investment manager survey participant

ACTIVE OWNERSHIP

This section considers the issues highlighted by respondents surrounding the application of active ownership to passive investment strategies. It includes collaborative action, incentives and tools to engage through passive structures, implications of active ownership on product costs, and technical solutions such as divestment. This is largely related to PRI's Principle 2.

PRI signatories were asked for their views on where the industry sees challenges to active ownership in passive investment strategies. Figure 3 ranks the challenges according to survey respondents. A large majority of respondents considered a lack of research and resourcing to be a limiting factor in applying active ownership principles to passive investing. The second biggest issue identified was the extent that engagement contributes to overall portfolio performance. Divestment is often seen as the final escalation strategy in an engagement process. This is viewed as particularly problematic for passive investment strategies.

Figure 3: Challenges to incorporating ESG factors into active ownership



> "Passive investment does not equal passive ownership."
>
> Index provider survey participant

COLLABORATIVE ENGAGEMENT

The need to encourage collaborative action among passive investors was frequently raised by participants in the consultation. Respondents highlighted that, due to the broader sector holdings they involve, passive investment strategies are likely to have greater exposure to systemic ESG risks than active portfolios where sectors or activities can be excluded. This should be a strong argument for collaborative engagement on systemic issues such as climate risk or governance practices. Passive investors should not shy away from engaging with their investment managers and index constituents on ESG issues, participants argued. Successful engagement requires well-established corporate policies covering areas such as voting and engagement as well as clearly defined investment frameworks.

Respondents provided examples of approaches to collaborative engagement. For example, engagement could be focused on the bottom 10% of index constituents in terms of ESG performance, or on the largest holdings. US fund managers, in particular, were concerned that collaborative engagement might breach 'acting-in-concert' rules.

RESOURCE CONSTRAINTS AND MANAGEMENT COSTS

Participants highlighted concerns about resource constraints faced by both asset owner and managers. Some participants were of the view that smaller passive managers are at a disadvantage due to lack of resources. Those passive managers who also have an actively managed fund business and in-house research capabilities enjoy an advantage as they can share expertise between active and passive strategies. Participants observed that larger firms tend to separate teams covering governance, environmental and social issues, which enables them to engage with more in-depth topic knowledge.

> "Vote with one voice using all stocks."
>
> Investment manager survey participant

CORPORATE ENGAGEMENT INCENTIVES

Passive investors are often long-term investors due to the nature of passive holdings and benchmark construction. Passive investors tend to hold a broad basket of constituents and hence should be incentivised to improve overall corporate performance across the whole market. The argument was made that, in theory, effective engagement removes the need for an ESG index: why would a separate ESG index be needed if engagement with constituents in the traditional benchmark leads to positive change?

Given the consolidation of the passive investment market by a small number of asset managers and service providers, survey and roundtable participants argued that effective engagement by passive managers requires the largest investment managers to 'up their game'. To influence this pivotal group of investment managers, asset owners need to define clear asks from their passive investment managers. For example, encouraging those managers to participate in coordinated action through initiatives such as ClimateAction100+ could provide critical mass for investor-to-corporate engagement.

For asset owners to successfully press investment managers over engagement, there also needs to be a recognition that engagement comes at a price. Fee compression, which is often at odds with extensive, multi-year engagement, was a recurrent theme.

CORPORATE ENGAGEMENT TOOLS

Participants raised broader questions around the combination of passive investment strategies and active ownership. Consultees identified proxy voting, corporate engagement and policy advocacy as the most effective engagement tools for passive investors. Issues raised around the use of such tools included stock lending, resourcing, reporting and the role of key service providers.

The importance of income generated from stock lending was perceived as a potential barrier to proxy voting by passive asset managers. Adequate resourcing is a challenge for passive management and engagement. Passive managers need to properly resource and prioritise their engagement programmes to reflect the diversity of their portfolios. One unresolved aspect of this issue is how managers can measure and evidence the success of an active engagement strategy.

Asset owners are not only demanding reporting by investment managers on the engagement approach they take, but they are also integrating performance indicators into their manager assessment and selection processes.

Service providers such as proxy voting agencies play an important role. Managers should determine the extent of autonomy they hand to these service providers to ensure that the interests of the asset owner are represented, said participants. Regulatory bodies have an important role to play in the harmonisation of proxy voting regulations across jurisdictions. Survey responses further highlighted that, in the case of stock lending, the lending agents (i.e. custodian banks) require strict guidelines to enable stock to be recalled to allow shareholders to vote.

A number of public campaigns by passive investment managers were cited as successful engagement initiatives. State Street Global Advisor's Fearless Girl, Legal & General Investment Management's Climate Impact Pledge and BlackRock CEO Larry Fink's annual letter to CEOs were mentioned in this regard.

DIVESTMENT

Consultees noted that the potential to divest is fundamentally different for active and passive strategies. The ability of passive investors to exclude certain investments depends on the index methodology (e.g. whether market cap, equal weighting or rule-based), tracking error limits and the investor's diversification requirements. Respondents differed on their approach to divestment and engagement, with some arguing that an inability to divest means that investors are denying themselves a lever to exert influence over a company. Others argue that reducing a holding through partial divestment provides a potential solution.

Asset owners and managers agreed on the importance of providing divested companies with the reason for exclusion from the index and what influenced that decision. 'Naming and shaming' is often applied in parallel with the divestment decision, but this requires a transparent process.

NEXT STEPS

The PRI initiated this stream of work due to the growth and increasing importance of passive investing and ESG indexes. The results of the consultation highlight a number of solutions to some of the challenges asset owner and investment managers face when integrating ESG issues into passive investment strategies. Based on the consultation feedback, the industry has highlighted a number of areas for further work and possible next steps:

Asset owners:

- Encourage investment managers and data providers to report and disclose proactively on ESG index methodologies, possibly through minimum reporting and transparency standards;
- Utilise these reporting insights in the fund manager evaluation, selection and appointment processes; and
- Reconsider tracking error guidelines/limits or benchmark selection to enable the incorporation of ESG factors into index selection and construction.

Investment managers:

- As leading stewards of equity and fixed income assets, develop and publicly communicate about approaches which enable passive investors to become active owners across systemic ESG issues such as governance and climate change. Such approaches include consistent voting policies, public campaigns and policy lobbying;
- As universal owners, look to reduce the barriers to collaborative investor action on the most pressing ESG issues among leading passive asset managers;
- As important managers of client assets, educate asset owners (retail and institutional) to enable more informed investment decision making and elevate active ownership to the top of the agenda;
- As innovators, ensure when developing ESG indexes and associated financial products that these products are clearly labelled and the basis for portfolio or index construction is transparent and consistent; and
- Look to promote more consistent ESG data from companies and also ensure that ESG rankings or scores are based on a transparent and consistent processes, with any changes to indexes or benchmarks accompanied by clear explanations. This recommendation is equally applicable to index and data providers.

Regulators:

- Encourage clear and consistent reporting by passive fund managers and service providers around the development and marketing of new passive ESG products; and
- Review acting-in-concert guidelines to ensure these do not prevent collaborative engagement.

NEXT STEPS

Alongside these consultation results, the PRI has published a series of case studies to showcase good practice in the industry.

The PRI has also created a Passive Investment Reference Group which is open to asset owner, investment manager and service provider signatories. This group will help to inform the development of future work in this area. The PRI intends to reflect on this consultation process and develop further guidance relating to issues raised.

APPENDIX

CONSULTATION PROCESS

In 2019, the PRI undertook a first stage of consensus building on the challenges around ESG incorporation in passive investing. This was followed by a comprehensive consultation phase among the PRI's signatory base during the second half of 2019. It involved roundtable feedback from two industry expert sessions, in New York and Paris, as well as a signatory survey.

NEW YORK FORUM

As part of its wider event series, the PRI conducts full-day events to feature its work and to consult on ongoing projects. On 24 July 2019, the PRI's passive investment team convened a discussion among 130 industry professionals, consisting of asset owners, investment managers and service providers, all of whom were PRI signatories. The audience was split into two groups for roundtable discussions to discuss the challenges around and solutions to ESG issues in passive investing.

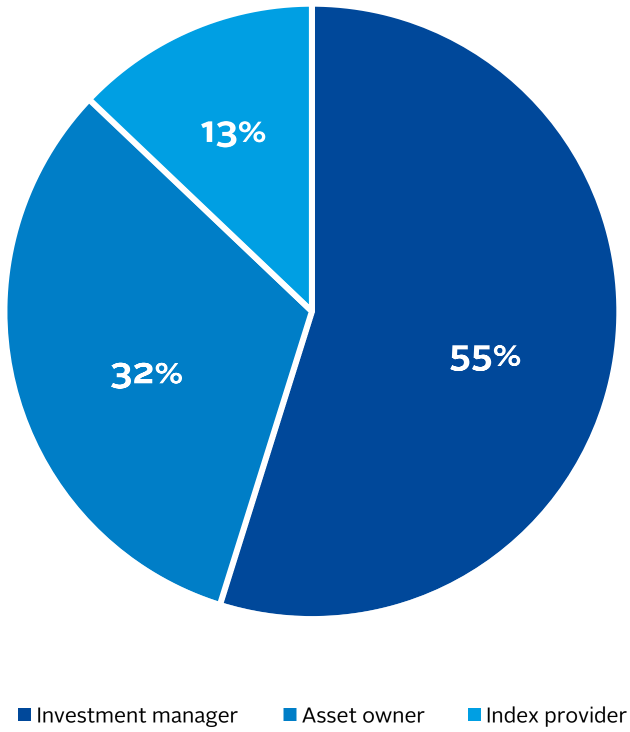
PRI IN PERSON CONFERENCE IN PARIS

A roundtable discussion was held during PRI in Person in Paris on 11 September, which involved over 260 conference attendees. Alongside a panel discussion, the event included 10 table discussions, led by conference participants. The event also included audience polls to inform the discussions.

SIGNATORY SURVEY

From 1 August to 31 October 2019, the PRI invited its signatory base to participate in a survey soliciting views on the role of ESG in passive investments. The survey questions can be found on page 18 of the passive investment discussion paper. Responses were received from 31 survey participants, representing a cross-section of the PRI's signatory base, and with more than $2.6tn in assets under management, as illustrated in Figure 4.

Figure 4: Survey responses by signatory type



POLLING RESULTS – PRI IN PERSON ROUNDTABLE SESSION

The polling questions below offered a quick reference point across the room at the roundtable event at PRI In Person in Paris. Conference participants were asked to identify the biggest challenges relating to ESG incorporation (Figure 5) and active ownership (Figure 6) in the passive investment industry.

Figure 5: Polling results on challenges in ESG incorporation

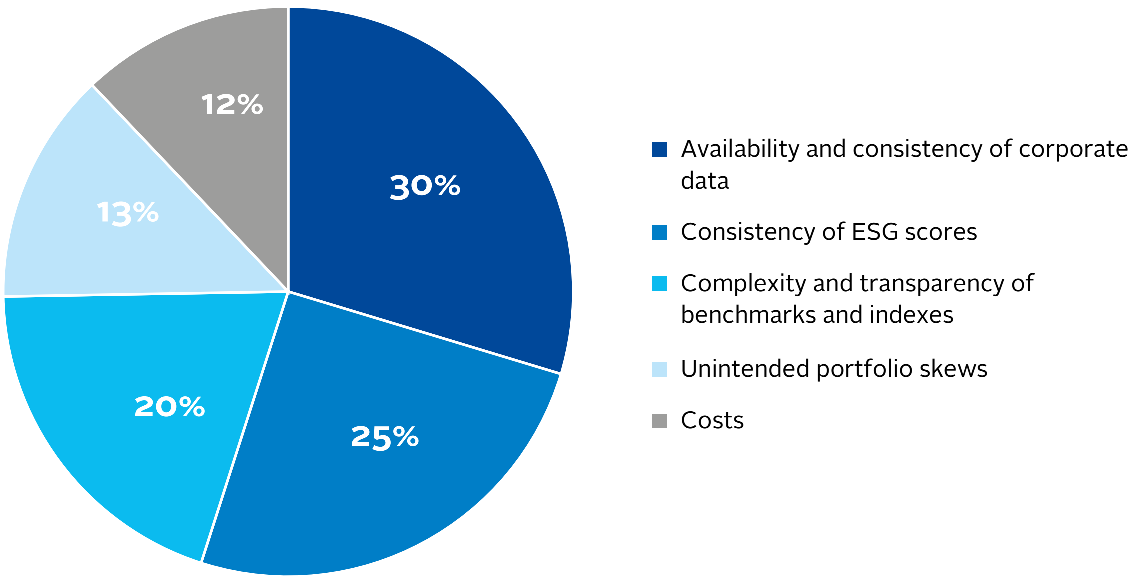
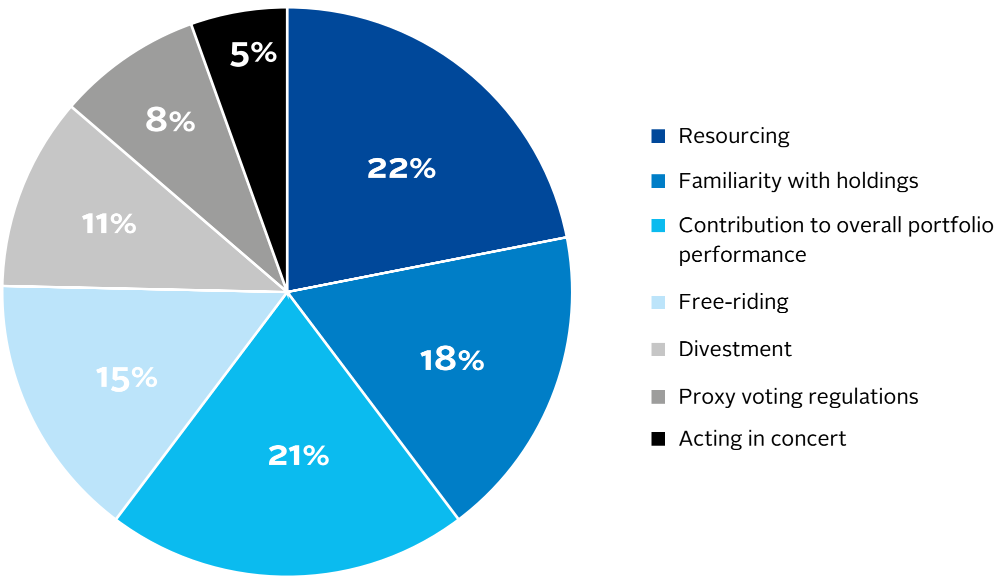


Figure 6: Polling results on challenges in active ownership



ADDITIONAL SURVEY RESULTS

In addition to the figures presented in the main body of the report, the PRI gathered additional responses from three groups of survey respondents: investment managers; asset owners; and index providers (see Figures 7-12).

Figure 7: Challenges to investment managers in incorporating ESG factors into passive strategies

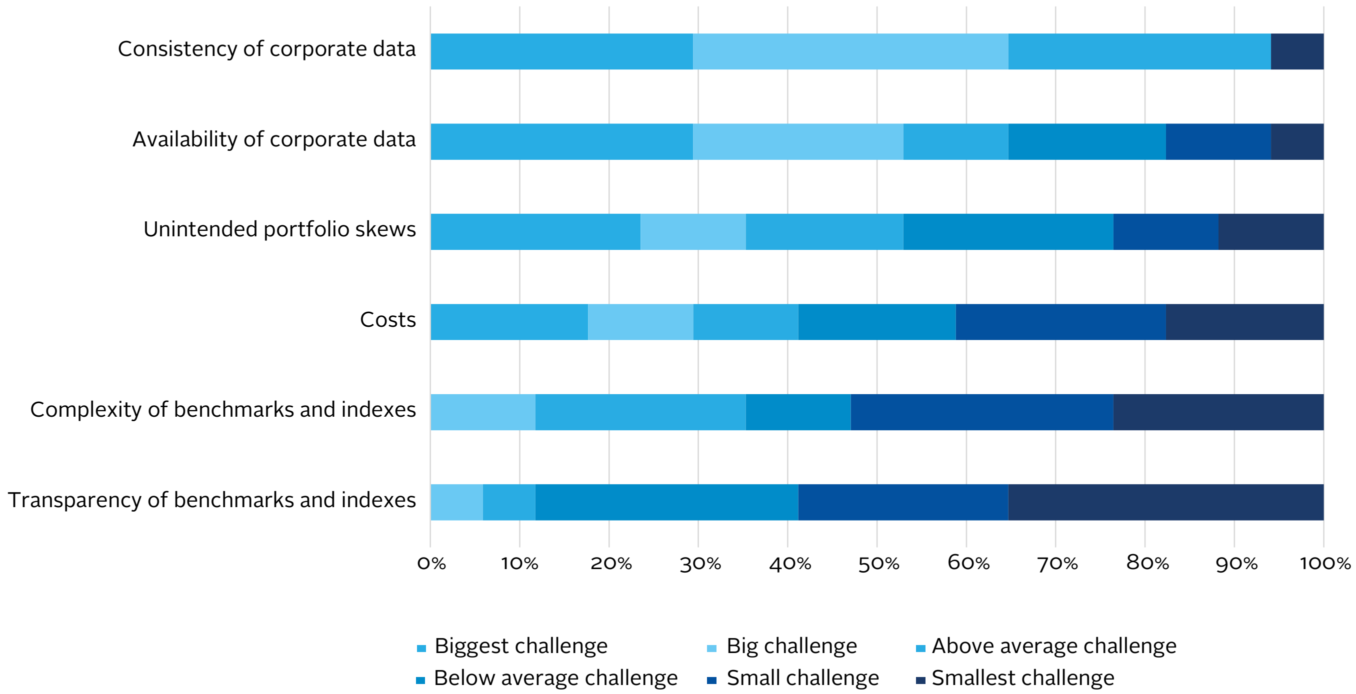


Figure 8: Challenges to asset owners in incorporating ESG factors into passive strategies

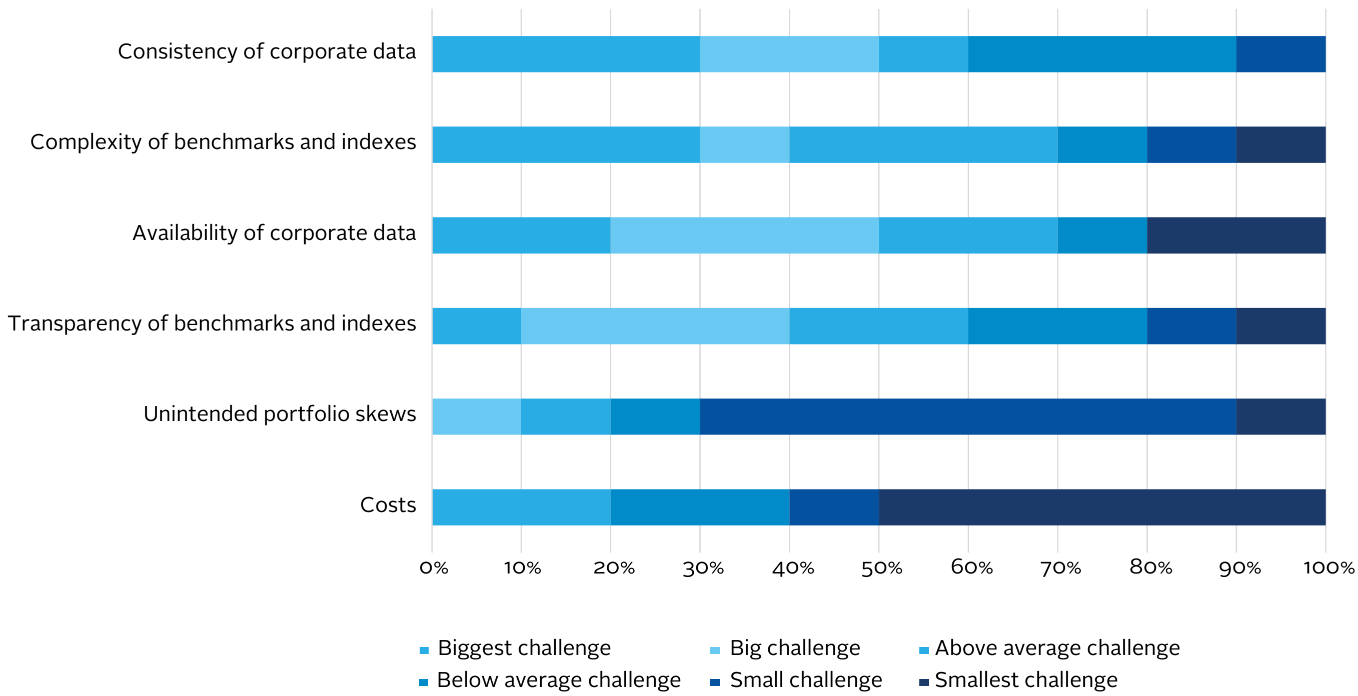


Figure 9: Challenges to index providers when incorporating ESG factors into passive strategies

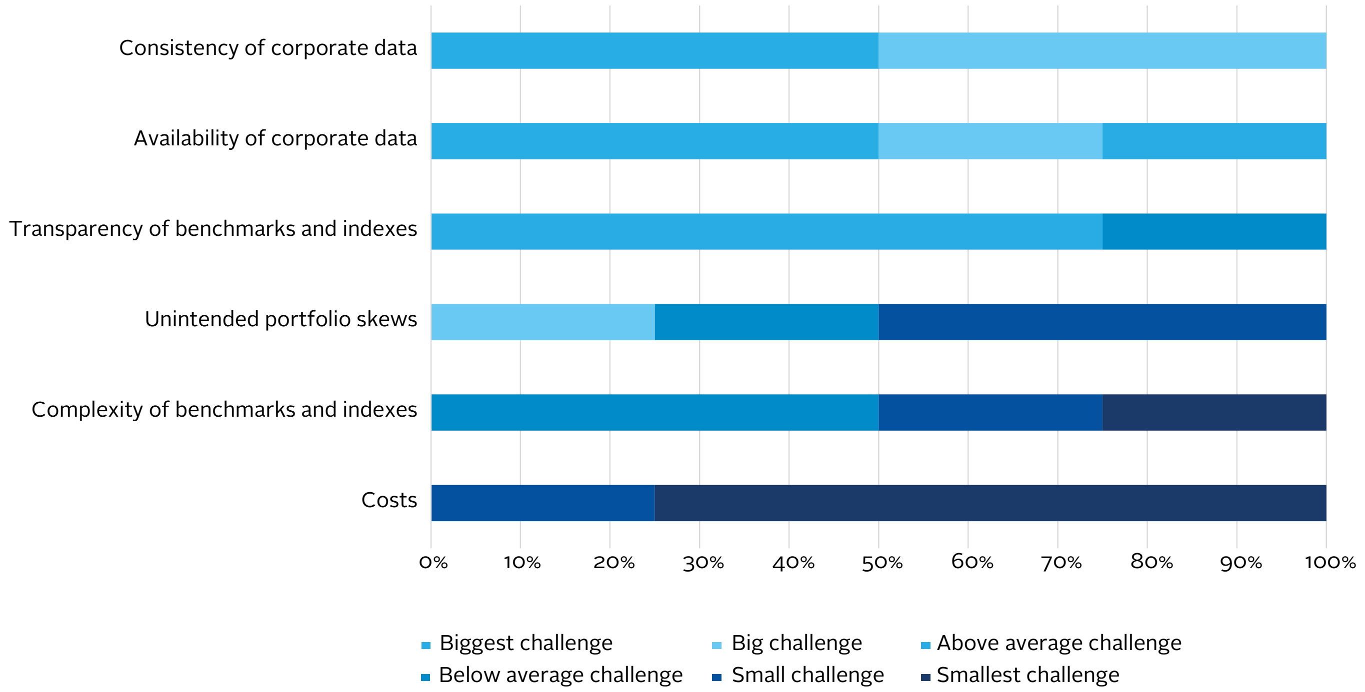


Figure 10: Challenges to investment managers in incorporating ESG factors into active ownership

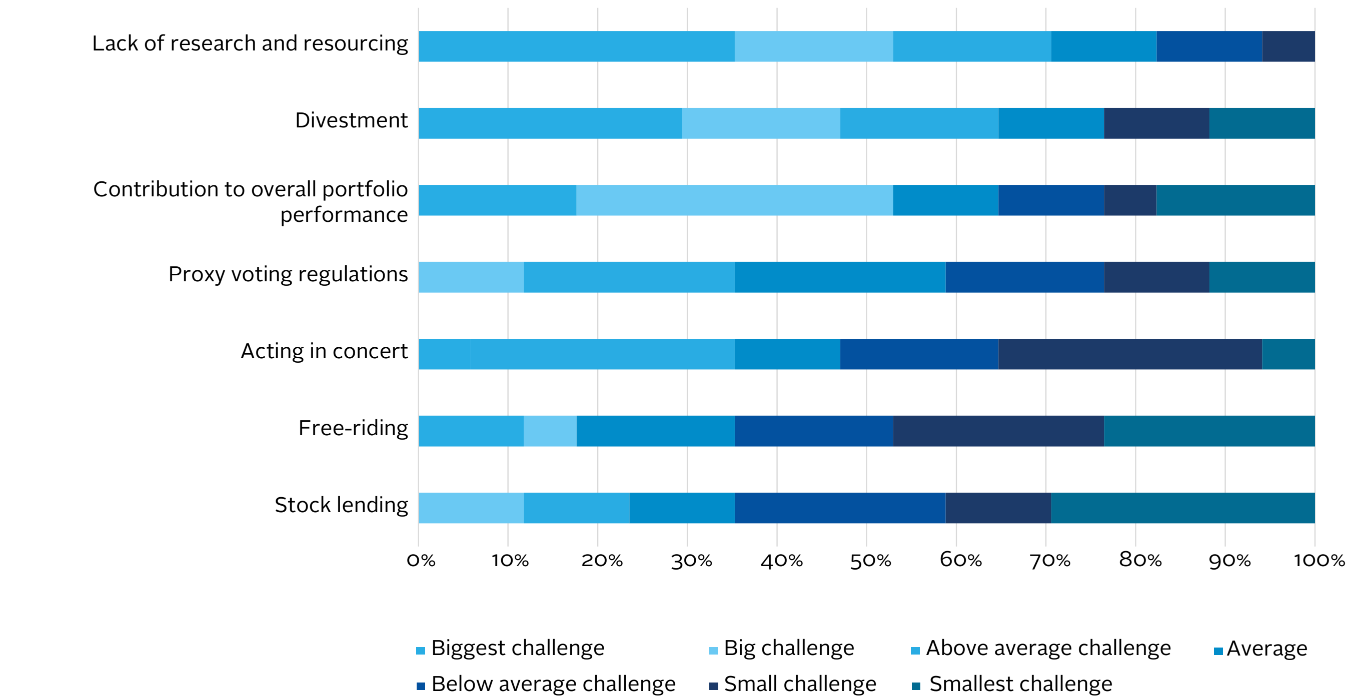


Figure 11: Challenges to asset owners in incorporating ESG factors into active ownership

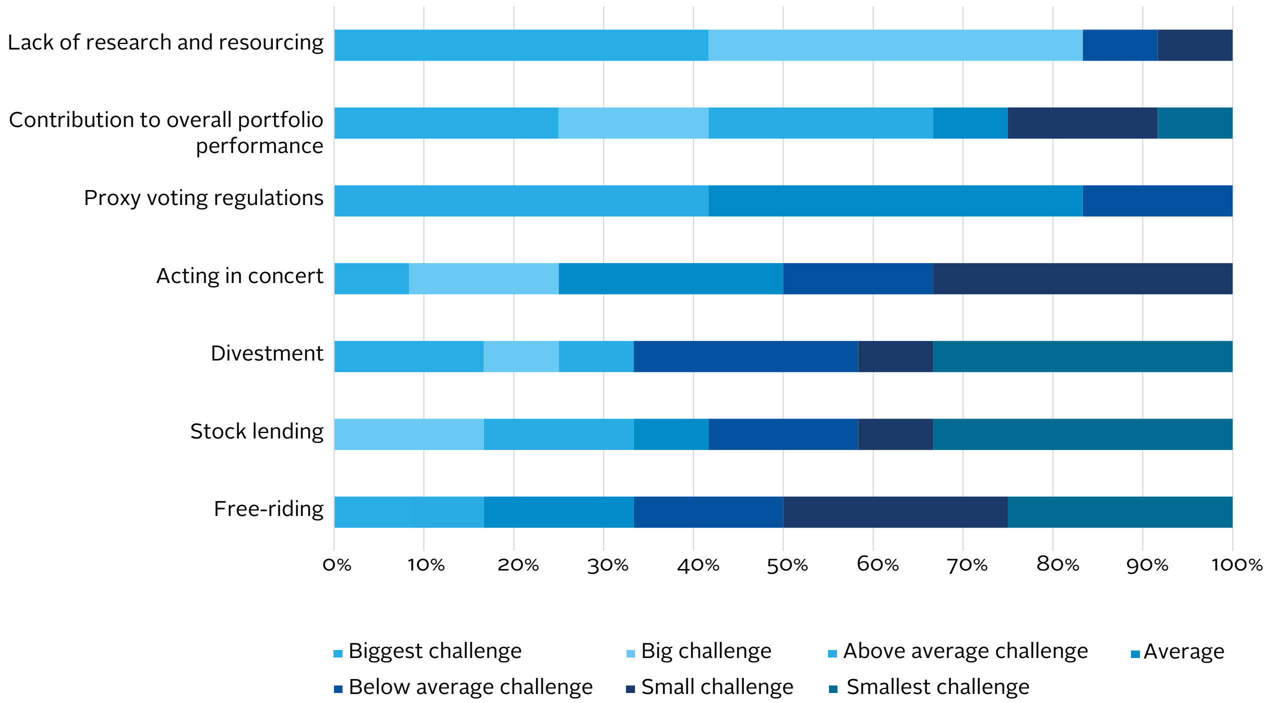
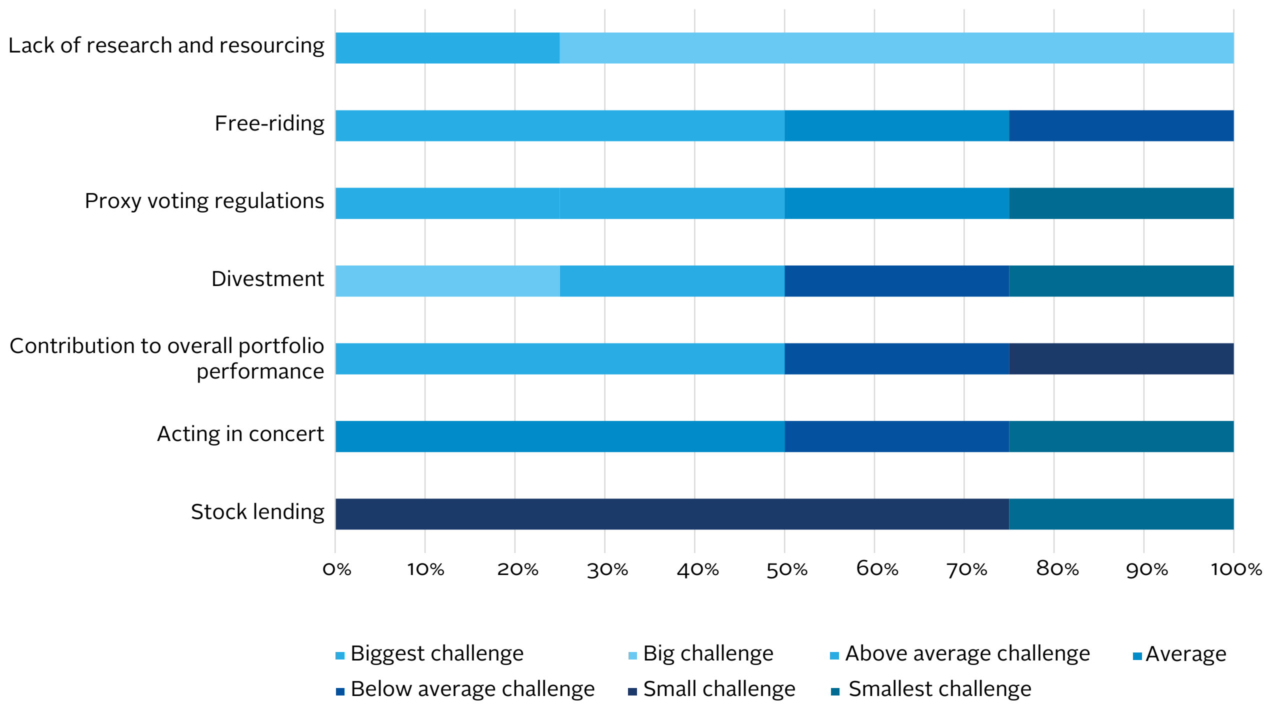


Figure 12: Challenges to index providers in incorporating ESG factors into active ownership



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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

PRI Principles for Responsible Investment

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

UNEP FINANCE INITIATIVE

United Nations 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 8,800 companies and 4,000 non-business signatories based in over 160 countries, and more than 80 Local Networks.

More information: www.unglobalcompact.org

United Nations Global Compact