2021 Signatory General Meeting

Thursday 23 September
# Signatory General Meeting

## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:00 – 08:10 BST 17:00 – 17:10</td>
<td>Welcome address and PRI Board report</td>
<td>Martin Skancke, Chair, PRI Board</td>
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<tr>
<td>08:10 – 08:40 BST 17:10 – 17:40</td>
<td>Management and financial report</td>
<td>Fiona Reynolds, CEO, PRI</td>
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<tr>
<td>08:40 – 08:50 BST 17:40 – 17:50</td>
<td>Spotlight – climate</td>
<td>Sagarika Chatterjee, Director of Climate</td>
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<tr>
<td>08:50 – 09:00 BST 17:50 – 18:00</td>
<td>Spotlight – stewardship</td>
<td>Paul Chandler, Director of Stewardship</td>
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<tr>
<td>09:00 – 09:05 BST 18:00 – 18:05</td>
<td>Signatory voting and PRI Board director elections</td>
<td>Martin Skancke, Chair, PRI Board</td>
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<tr>
<td>09:05 – 09:30 BST 18:05 – 18:30</td>
<td>Q&amp;A</td>
<td>Martin Skancke, Chair, PRI Board &amp; Fiona Reynolds, CEO, PRI</td>
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</table>
Welcome address and PRI Board report

Martin Skancke, Chair
PRI Board report

▪ Launch of the 2021-24 strategy, including feedback from the signatory consultation

▪ Delivery on the past strategy

▪ Reform of the Reporting and Assessment framework and Board oversight
PRI Board report

Resilience of the organisation over the past year, continuing to provide signatory value

CEO search update
Management and financial report

Fiona Reynolds, CEO
Reporting and Assessment timeline

2021 Reporting update

- **October 2021**: Private Transparency Reports released
  - Signatories will have four weeks to review and request changes to indicators affected by the issues

- **2022**: Release of public Transparency Reports and private Assessment
  - PRI intend to release updated outputs by June 2022, earlier, if possible, subject to volume of changes flagged by signatories

- **Early 2023**: Next Reporting period
  - Signatories report on their ESG practices during their most recent 12-month period
Signatory growth

938 new signatories including 101 asset owners

Asset owner growth (gross)

- 76
- 52
- 36
- 42
- 28
- 30
- 32
- 25
- 28
- 26
- 42
- 39
- 69
- 98
- 101

26% net signatory growth

PRIDigitalConf
Enhance our global footprint

Signatory overview

- US: 854\(^1\) (+109\(^2\))
- Canada: 199 (+16)
- Brazil: 103 (+15)
- Latin America (ex. Brazil): 95 (+25)
- Africa: 105 (+14)
- Middle East: 25 (+6)
- Southern Europe: 232 (+27)
- France: 339 (+42)
- Netherlands: 135 (+6)
- Belux: 119 (+10)
- Nordic: 305 (+24)
- Germany & Austria: 245 (+48)
- CEE & CIS: 34 (+6)
- Switzerland: 179 (+18)
- China: 70 (+13)
- Japan: 97 (+5)
- Australia & NZ: 241 (+30)
- Rest of Asia: 173 (+35)

1: As of 1\(^{st}\) of September 2021
2: New signatories since 1 April 2021
Signatory engagement
Giving a voice to signatories through digital events, advisory committees, working groups and meetings with Relationship Managers

This year we have engaged with signatories in a variety of ways:

- Signatory Relationship Managers conducted one-to-one meetings with nearly 1700 signatories
- PRI Digital Forums attracted 2211 attendees at our three digital conferences representing over 1300 organisations and 73 countries
- 27 advisory committees and working groups in which 600+ signatories participated
- A variety of other channels including webinars, interviews, discussion groups on the Collaboration Platform and surveys
PRI Digital Forums
Convening and educating responsible investors

We hosted three digital conferences with 2211+ attendees representing 1300+ organisations and 73 countries and significantly expanded our calendar of webinars attracting 14000+ unique registrations
Register for the PRI Digital Conference

18 – 21 October 2021
Global staff growth

Breakdown of PRI’s 159 staff by country
Adjusting to work during COVID-19

Supporting our staff

We have implemented programmes and resources emphasising mental health and resilience:

- **webinars** delivering advice on financial health, mental health for employees and dealing with change
- virtual **social activities**
- virtual **health and fitness** classes
- online courses providing **personal development** opportunities
- compulsory **mental health** days
In-house sustainability and walking the talk

We are committed to continually improving our diversity

- Appointed BITC
- Began work on Walking the Talk
- Received Ska Gold rating
# Financial statements

## Financing the next phase of responsible investment

Between 1 April 2020 and 31 March 2021:

**Total income** grew to **£21.5 million**
(up from £18 million in 2019/20)

**Total expenditure** grew to **£18.5 million**
(up from £16.1 million in 2019/20)

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual 2020/21</th>
<th>Budget 2021/22</th>
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<tbody>
<tr>
<td>Staff costs (incl. networks, recruitment, training &amp; development)</td>
<td>11,093</td>
<td>15,718</td>
</tr>
<tr>
<td>Bought-in services, consulting and research</td>
<td>3,984</td>
<td>4,109</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>12</td>
<td>159</td>
</tr>
<tr>
<td>Premises costs</td>
<td>1,033</td>
<td>1,050</td>
</tr>
<tr>
<td>IT costs &amp; telephone</td>
<td>1,022</td>
<td>1,600</td>
</tr>
<tr>
<td>Events, meetings, conferences &amp; hospitality</td>
<td>189</td>
<td>572</td>
</tr>
<tr>
<td>Legal &amp; professional services</td>
<td>257</td>
<td>221</td>
</tr>
<tr>
<td>Subscriptions, reports &amp; printing</td>
<td>149</td>
<td>171</td>
</tr>
<tr>
<td>Academy commissions &amp; marketing</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Contribution to UNEP FI</td>
<td>110</td>
<td>111</td>
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<tr>
<td>Other expenditure (Insurance, postage, office supplies, bank charges)</td>
<td>668</td>
<td>286</td>
</tr>
<tr>
<td><strong>Total (excluding PRI in Person expenditure)</strong></td>
<td>18,525</td>
<td>24,007</td>
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Signatory fees for 2022/23

The PRI is funded primarily via the annual membership fee payable by all signatories

- No rise in fees for 2022/23
- 2022/23 fees based on last year’s AUM
# Flagship programmes

2021 - 2022

<table>
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<th>Flagship programmes</th>
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<tr>
<td>Driving Meaningful Data</td>
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<tr>
<td>Sustainability Outcomes &amp; SDGs: A legal framework for impact</td>
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<tr>
<td>ESG in Fixed Income</td>
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<tr>
<td>Asset Owners</td>
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<tr>
<td>Human Rights</td>
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<tr>
<td>Active Ownership 2.0</td>
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<tr>
<td>Climate Action</td>
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Driving Meaningful Data

Enabling the flow of reliable and comparable data from corporations through the investment chain

- New report *Driving meaningful data: financial materiality, sustainability performance and sustainability*
- Global and regional engagement on corporate sustainability reporting
- Collaboration with the World Business Council for Sustainable Development
Sustainability Outcomes and SDGs: A legal framework for impact

Developing legal analysis and recommendations for investors and policymakers to address the sustainability impact of investment decisions

Commissioned by the PRI, UNEP FI and The Generation Foundation and authored by global law firm Freshfields Bruckhaus Deringer, A legal framework for impact seeks to understand to what extent legal frameworks allow investors to consider sustainability impact.
ESG in Fixed Income
Driving ESG incorporation in the fixed income market, covering credit risk and ratings as well as a range of fixed income products

Credit risk and ratings

- Private debt
- Sovereign debt
- Sub-sovereign debt
- Securitised products

- **Transparent** and **systematic** incorporation of ESG factors in credit risk analysis
- Investor-CRA dialogue extended to debt issuers, ESG information providers and investment consultants

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<tr>
<th>172</th>
<th>26</th>
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<tbody>
<tr>
<td>Institutional investors (~US$40tn AUM)</td>
<td>Credit Rating Agencies (CRAs)</td>
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</table>
Empowering asset owners
Dedicated tools and resources to help asset owners advance responsible investment practices

- New guides, webinars and podcasts to help asset owners select investment managers
- Three new introductory guides including climate change for asset owners
- Research on understanding and aligning with beneficiaries’ sustainability preferences
- Further work planned on investment mandates and resources for smaller asset owners this year
Human Rights

Ensuring respect for human rights is central to achieving our 10-year Blueprint

Our human rights position paper, released in October 2020, is informed by the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

It clarifies that institutional investors have a three-part responsibility to respect human rights:

1. Policy commitment
2. Due diligence processes
3. Enable or provide access to remedy

A range of resources available to support signatories on human rights including the Spotlight on human rights podcast series and numerous webinars.
Active Ownership 2.0
Transforming stewardship practices to shape sustainability outcomes

MAKING VOTING COUNT
Sets out how investors can develop and apply high-level principles to govern their use of voting on shareholder resolutions

NEW STEWARDSHIP INITIATIVE ON SOCIAL ISSUES AND HUMAN RIGHTS
Aims to maximise investors’ collective contribution to the goal of global respect for human rights
Climate action

Working to help investors protect portfolios from risks and to expose them to opportunities in the shift to a low-carbon global economy.
Policy: challenging barriers to a sustainable financial system

Addressing obstacles, championing changes that promote long-term investing and targeting behaviours and incentives that create short-termism

We continue to engage with policy makers around the world, with a focus on the European Union, China, Japan, US, UK, Australia and Canada.

These focused on several areas including sustainable finance policy and delivering net zero.

In 2020/21, we responded to 52 consultations and published 18 briefings in 15 markets.
Providing tools and guidance for signatories

Responding to signatory demand for practical evidence, tools, guidance and examples of good practice across asset classes and ESG issues

70% of signatories rated this as one of the top four PRI initiatives that provide most value
The 2021 PRI Awards shortlist

Independently-judged awards to highlight innovation and impact among our signatory base

The winner of each category will be announced at the PRI Digital Conference in October

- ESG incorporation initiative of the year
- Stewardship initiative of the year
- Real world impact initiative of the year
- ESG research innovation of the year
- Emerging market initiative of the year
Spotlight one: Climate

Sagarika Chatterjee, Director of Climate
Climate risk

The Inevitable Policy Response—preparing financial marks for climate-related policy/regulatory risks

INevitable Policy Response

130+
Investors engaged 1:1

380
Engaged investors exploring IPR

128
Investors acknowledged use of IPR in the Reporting Framework

5
PRI net zero climate policy briefings

30
Meetings with policymakers

8
IPR publications
The PRI and COP26

Prioritising the need for bold action at COP26, raising government and investor ambition

PRI AND LSEG INVESTOR ACTION ON CLIMATE

- Over 10,000 combined views for five webinars in the COP26: investor action on climate series
- Approx 3,500 downloads of The investor guide to climate collaboration

THE RACE TO ZERO

120 PRI signatories have joined the campaign

POLICY BRIEFING: THE ROAD TO COP26
Bold net zero targets

Moving towards net zero through investor action

23 members of the UN-convened Net-Zero Asset Owner Alliance have published 2025 targets
Spotlight two: Stewardship

Paul Chandler, Director of Stewardship
Active Ownership 2.0
Flagship programme: transforming stewardship practices to shape sustainability outcomes

Outcomes
Common goals
Collaboration
Active Ownership 2.0

Flagship programme: transforming stewardship practices to shape sustainability outcomes

1.0

Addressing risks to individual assets, building foundations of governance

2.0

Directly seeking to shape sustainability outcomes and address systemic risks
Making voting count
Guidance on investors’ approach to voting on shareholder resolutions

How principle-based voting on shareholder resolutions can contribute to clear, effective and accountable stewardship
Active Ownership 2.0
Supporting signatory implementation – what's next

Case studies  Further guidance  New PRI-led collaboration opportunities
Upcoming collaborative initiative on social issues and human rights

Seeking progress across three key areas

- Full implementation of the UN Guiding Principles
- Responsible political engagement
- Further company-specific expectations on human rights issues

The objective of the initiative is to maximise investors’ collective contribution to the goal of global respect for human rights.
Signatory voting and PRI Board director elections

Martin Skancke, Chair
# PRI Board

The Board is composed of one independent chair, 10 directors and two permanent UN advisors

**Chair**

- **Martin Skancke**
  - HESTA (Australia)
  - Appointed until 2023

**Directors elected by asset owners**

- **Angela Emslie**
  - AP2 (Sweden)
  - Elected until 2022
- **Eva Halvarsson**
  - Nippon Life Insurance Company (Japan)
  - Elected until 2023
- **Takeshi Kimura**
  - GEFP (South Africa)
  - Elected until 2023
- **Renosi Mokate**
  - Ircantec (France)
  - Elected until 2021
- **Laetitia Tankwe**
  - CalSTRS (USA)
  - Elected until 2021
- **Sharon Hendricks**
  - ABP (Netherlands)
  - Elected until 2021
- **Xander den Uyl**
  - Sustainalytics (Netherlands)
  - Elected until 2022

**Directors elected by non-asset owners**

- **Wendy Cromwell**
  - Wellington (USA)
  - Elected until 2021
- **Tycho Sneyers**
  - LGT (Switzerland)
  - Elected until 2023
- **Michael Jantzi**
  - Sustainalytics (Netherlands)
  - Elected until 2022

**Permanent UN advisors**

- **Sanda Ojiambo**
  - UN Global Compact (New York)
- **Eric Usher**
  - UNEP FI (Switzerland)
Signatory voting and PRI Board Director elections

- Asset owner signatories vote for asset owner candidates and investment manager signatories vote for investment manager candidates
- Voting period: 29 September to 26 November 2021
- Candidate videos and statements will be posted on the PRI website
- For more information on the elections see: [https://www.unpri.org/pri/governance/2021-pri-board-annual-elections](https://www.unpri.org/pri/governance/2021-pri-board-annual-elections)

<table>
<thead>
<tr>
<th>Voting item</th>
<th>Asset owners</th>
<th>Investment managers</th>
<th>Service providers</th>
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</thead>
<tbody>
<tr>
<td>Vote for four asset owner representatives in the PRI Board Election¹</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vote for one investment manager representative in the PRI Board election²</td>
<td></td>
<td>✔</td>
<td></td>
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<tr>
<td>Vote to confirm the appointment of the auditor</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Vote to receive the PRI Annual Report and Accounts</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Vote to approve the Signatory General Meeting minutes</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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¹ Each asset owner signatory will have four votes for four asset owner positions
² Each investment manager signatory will have one vote for one investment manager position

The candidate(s) who receive the highest number of votes are elected
Asset owner election: vote for four representatives

Ten asset owner candidates are competing for four open positions

Scott Connolly
Trustee Director, Telstra Super (Australia)

Peter Coveliens
Head of Group Corporate Programmes and Institutional Business Development, European Investment Fund (Luxembourg)

Sharon Hendricks
Vice-chair, CalSTRS Board (United States)

Alex Hindson
Chief Risk and Sustainability Officer, Argo Group International Holdings Limited (Bermuda)

Denisio Liberato
Equity Director, PREVI (Brazil)
Asset owner election: vote for four representatives

Ten asset owner candidates are competing for four open positions

Kamal Mitha
Head of Investments, Sasria (South Africa)

Wilhelm Mohn
Global Co-Head of Corporate Governance, NBIM (Norway)

Juan Camilo Osorio
Chairman of the Board, Afore Sura (Mexico)

Laetitia Tankwe
Advisor to Ircantec President, Ircantec (France)

Massimo di Tria
Chief Investment Officer, Società Cattolica di Assicurazione S.p.A. (Italy)
Investment manager election: vote for one representative

Ten investment manager candidates are competing for one open position

Wendy Cromwell
Head of Sustainable Investment, Wellington Management Company, LLP (United States)

Alan Feld
Founder and Managing Partner, Vintage Investment Partners (Israel)

Karina Funk
Portfolio Manager and Chair of Sustainable Investing, Brown Advisory (United States)

Maribel Monterrubio
CEO, Vitalis (Mexico)

Melchior de Muralt
Managing Partner, De Pury Pictet Turrettini & Cie (Switzerland)
Investment manager election: vote for one representative

Ten investment manager candidates are competing for one open position

Papa Madiaw Ndiaye
CEO, AFIG Funds (Senegal)

Tatjana Puhan
Deputy CIO, TOBAM (France)

Alison Schneider
Vice-President, Responsible Investment, Alberta Investment Management Corporation – AIMCo (Canada)

Helmut Schuehsler
CEO and Chairman, TVM Capital Healthcare Partners (United Arab Emirates)

Hanneke Smits
CEO, Bank of New York Mellon Investment Management (United Kingdom)
Online signatory voting

Make your vote count

- Online signatory voting will open on **29 September**
  and signatories will receive a voting ballot via email

- As a membership organisation, to continue to thrive
  we need to engage signatories with relevant work
  and activities. Likewise, it’s important for signatories
  to remain engaged and active in our governance

**Make your vote count**
Q&A

Fiona Reynolds, CEO and Martin Skancke, Chair
Thank you