ANNUAL REPORT 2015
FROM AWARENESS TO IMPACT
THE PRI AND THE SIX PRINCIPLES

THE 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 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 six Principles were developed by investors and are supported by the UN. They have more than 1,400 signatories from over 50 countries representing US$59 trillion of assets.

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.

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ABOUT THIS REPORT

The PRI 2015 Annual Report was published in July 2015. It shows how the activities of the PRI between July 2014 and June 2015 align with our strategic objectives. The financial statements contained within the report cover the period from 1 April 2014 to 31 March 2015.

The PRI Association is a UK-registered not-for-profit company limited by guarantee, UK company number 7207947.

CONTACT

If you have questions or comments about this report, please contact the PRI at: info@unpri.org

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MESSAGEs

Strategic Objectives

Year at-a-glance

IMPACT

1 Support signatories
2 Collaborate/Convene
3 Decision makers
4 Academia/Education
5 Accountability

INFLUENCE

6 Voice
7 Regions
8 Asset owners
9 Stakeholders
10 UN partners

CAPABILITY

11 Infrastructure
12 Human capital
13 Governance
14 Partnerships/Financial report

Sustainability

Steering Committees

New and Delisted Signatories
**NEW HORIZONS**

The past year, even more so than most, has been one of transformation for the PRI. We set ourselves an ambitious agenda for renewal and reform, comprising a new governance structure, a new three-year strategy and a revised funding model. The contribution of signatories has been critical to our success in implementing all of those changes. With the foundations in place, we have transparency and accountability, a sound strategy for 2015-2018 and the necessary resources to implement it.

The upcoming ten-year anniversary of the PRI’s founding is an opportunity to set our sights on new horizons and ask: What should responsible investment look like in another ten years? What are the key issues that we need to address? What role should the PRI play?

We must look to develop a compelling vision for the future, strengthening – and where necessary, redefining – what being a signatory to the Principles means.

A natural starting point is the six Principles themselves, along with the PRI's Mission statement. The Principles were drafted before the 2007-2008 financial crisis, and primarily address the relationship between investors and investee companies. Yet much of the PRI’s work – on fiduciary duty, long-term mandates, the Sustainable Stock Exchanges initiative and more – addresses systemic issues and principal-agent problems within the investment community. This is reflected in the PRI’s Mission, drafted after the financial crisis, which talks of addressing the obstacles to a sustainable financial system that lie within market practices, structures and regulation. Should this ethos now be incorporated into the Principles themselves?

Having increased accountability to signatories through governance reform, we have established the accountability of the executive by setting the metrics by which their performance in implementing the 2015-2018 strategic plan will be measured. These provide quantifiable targets on key strategic aims such as the extent to which asset owners are considering responsible investment when selecting, appointing and monitoring managers, and the impact of PRI-coordinated engagements on target companies’ awareness and acknowledgment of investors’ concerns.

The PRI must now focus on ensuring that signatories are accountable to the PRI. We will consult with you on possible mechanisms for this, which could include new levels of membership to reflect signatories’ level of commitment to responsible investment and new criteria for delisting signatories. We will also look at how the Reporting Framework can support increased accountability.

Targeting ever-greater mainstream incorporation of the concepts that we’ve spent the last decade formalising must be a key goal of the next ten years. The “Principles for Responsible Investment” may be relatively new, but having principles on how to invest responsibly is as old as investing itself. The work of the PRI and its signatories over the past decade has been less about creating these ideas than about exploring how best to incorporate them into the day-to-day realities of investment policy, strategy and practice, and about spreading the message that doing so is a vital part of achieving good long-term returns.

The success of that message can be measured not only by how widely these concepts are incorporated into investment decision-making, but also by how deeply: by the extent to which they move away from being held under the umbrella of responsible investment and simply become part of investment.

I extend a sincere thank you to Fiona and her team for the expansive and meaningful work outlined throughout this report. Signatories remain at the heart of what we do, and we encourage your feedback on what you read.

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**MESSAGE FROM THE MANAGING DIRECTOR**

**BEYOND GROWTH**

Moving from awareness to impact is the theme that our three-year strategic plan commits us to, and everything the PRI is doing is in pursuit of this.

Asset owners have always been, and must continue to be, at the heart of the PRI’s Mission to build a sustainable financial system, and their importance to the cause must be reflected by the support we provide. In the past year our Asset owner climate change strategy and Long-term mandates projects have focused on the unique needs of asset owners on two crucial issues that they face. In the next twelve months we will further boost resources by dedicating a new work stream to producing asset owner insight.

Along with increased support must come heightened accountability: the 2014 Report on Progress found that three-quarters of asset owners don’t formally include responsible investment performance when evaluating their managers, and around 19 out of 20 don’t consider it in deciding the performance-related pay of those in the top echelons of their organisations.

We are developing the Reporting Framework to better differentiate signatories who are leading on responsible investment. This will allow us to enable and then challenge asset owners to use this data in selecting and appointing their managers, and in holding them to account. The PRI’s Reporting Framework has a unique breadth in the field of responsible investing, and the Transparency Reports constitute a remarkable public dataset.

We must also look at systemic challenges. Last year I talked about our policy work having “begun”. There’s no doubt that this year has seen it truly arrive. Fiduciary duty in the 21st century is both a fundamentally important investigation of why investors are not systematically integrating environmental, social and governance considerations as part of their fiduciary duty, and a practical guide on how to fix this.

For our impact on investors to be meaningful, it needs to be reflected in their impact on companies. Collaboration, at home and through our Clearinghouse platform, has happened at a greater scale than ever before this year. It is imperative that we maximise the output of this work by increasing the number of signatories engaging for influence, not just for information, and by evaluating the effects of PRI-coordinated collaborative engagements on targeted companies’ policies, practices and disclosure.

Building towards COP21 in Paris in December, the PRI has focussed on climate change through a number of initiatives run in conjunction with our UN partners and a range of global and regional climate bodies. The Montreal Carbon Pledge, launched at PRI in Person 2014, has succeeded in attracting more than 50 investors to commit to measure and publicly disclose their portfolio carbon footprint. In giving investors a quantitative understanding of the carbon emissions represented by a portfolio’s holdings, a carbon footprint is an invaluable tool for creating and implementing a broader climate change strategy.

Looking outside our walls, only with a strong voice can the PRI be truly effective. Our extensive coverage in outlets such as the Financial Times, Reuters, Bloomberg, CNBC, BBC and Institutional Investor is evidence of the progress we’ve made in building our ability to be heard.

Thank you to Martin Skancke for his dedication in Charing the PRI Board and guiding the direction that the PRI will continue to take, and thank you to the entire Board for the insight that they bring from across the globe. The PRI’s skilled, diverse and hard-working staff also deserve credit for enabling the incredible array of services that support our signatories.

The assets under management of our signatories grew by a third in the past 12 months to reach US$55 trillion. Growth in our signatory base is welcome – it means that there is ever-widening belief in the Principles and it increases our signatories’ collective influence – but within the PRI it must be seen not as success but as a responsibility, to better support those signatories to achieve the impact we all seek.
To inform its 2015-2018 strategic plan, the PRI reviewed the environment in which it operates and the problems that its tools and services seek to address.

**Market Challenges**

- Increasingly Frequent Governance Failures
- Corruption
- Discrimination
- Misunderstandings and Ambiguity in the Fiduciary Duty Debate
- Insufficient Influence for Long-Term Investors
- Inconsistent and Ambiguous Regulation
- Lack of ESG Training
- Misbelief That Responsible Investment is a Thematic Niche
- Misbelief That Responsible Investment Damages Returns
- Climate Change
- Misperception That Responsible Investment Damages Returns

**Strategic Objectives**

The 2015-2018 strategic plan was developed in an inclusive process involving consultations with signatories and the PRI’s staff, Board and UN partners.

The strategy comprises 14 objectives, grouped according to three themes:

1. **From Awareness to Impact**
   - Support signatories in making progress towards implementing the Principles
   - Provide opportunities for signatories to convene, share knowledge and collaborate
   - Engage and facilitate dialogue with key decision-makers
   - Facilitate collaboration between academics and investors and use our knowledge to educate signatories and stakeholders
   - Enhance signatory accountability mechanisms

2. **Extend Our Collective Influence**
   - Strengthen the PRI voice and brand
   - Strengthen capacity and expertise in key regions
   - Increase the representation and participation of asset owners
   - Collaborate with key stakeholders to further our mission
   - Deepen and strengthen our relationship with UN partners

3. **Capabilities and Governance**
   - Enhance capacity for transparency and collaboration through PRI infrastructure
   - Attract, retain and develop the required human capital
   - Deliver and support an effective governance structure
   - Continue to build a financially sustainable organisation

This Annual Report shows how the activities of the PRI between July 2014 and June 2015 align with our new strategic objectives. While some of the work in this period pre-dates these objectives (which came into effect 1 April 2015) we believe that it is important to demonstrate how the work that we have been doing and are continuing to do contributes to our present and future direction.

N.B. A complete list of the market challenges the PRI identified is available in the 2015-2018 Strategic Plan.
FROM AWARENESS TO IMPACT

NEW ENGAGEMENTS ATTRACTING

50 INVESTORS

96 SIGNATORIES

US$11 TRILLION IN ASSETS

50 REGIONAL EVENTS

600 DELEGATES

26 COUNTRIES

200 STUDENTS HAVE BEEN TRAINED

MET 100+ REGULATORS

POLICY MAKERS

CEOs & CIOs

TO PROMOTE PRI ACADEMY

NEARLY 1,000 TRANSPARENCY REPORTS ON THE PRI WEBSITE

MORE THAN

1ST REPORT ON PROGRESS

USING NEW REPORTING FRAMEWORK

MORE THAN

2014 PRI in Person

200 ACADEMIC PAPERS AWARDED FOR EXCELLENCE

CAPABILITIES AND GOVERNANCE

EXTEND OUR COLLECTIVE INFLUENCE

220 NEW SIGNATORIES

24 ASSET OWNERS

162 INVESTMENT MANAGERS

33 SERVICE PROVIDERS

INCLUDING FIRST TIME EVER GHANA, IRAN, PUERTO RICO, SERBIA

20 NEW US SIGNATORIES

24 NEW ASSET OWNER SIGNATORIES

12% INCREASE IN ASSET OWNER PARTICIPATION

8 NEW EXCHANGES IN THE SUSTAINABLE STOCK EXCHANGES INITIATIVE

OVER 100 MEDIA APPEARANCES

FROM AWARENESS TO IMPACT

YEAR AT-A-GLANCE
The PRI produces guides, case studies, and other publications to inform investors how to implement the Principles in a systematic way across asset classes.

### FIXED INCOME

ESG integration can help fixed-income investors to assess creditworthiness more comprehensively.

#### FIXED INCOME INVESTOR GUIDE

The Fixed income investor guide has been downloaded 5,000 times since its launch in September 2014. It gives practical advice on incorporating ESG criteria, screening, themed investments, integration styles and engagement across corporate, financial, SSA, ABS and private instruments. It finds that:

- Fixed income has a number of unique characteristics that benefit from a bottom-up approach to responsible investment;
- Investors should fully embed responsible investment practices across their organisations’ management, research, risk and sales functions to ensure credibility;
- Investor demand is growing the green bond market, but that investors must be wary of how green such instruments really are, and of how the proceeds are used.

#### FIXED INCOME CASE STUDY SERIES

One objective of the PRI is to encourage signatories to share their knowledge. Accordingly, the Fixed income investor guide was followed by the launch of the Fixed income case study series. The series is written by practitioners from around the world and meets signatory demand for short, practical examples of how their peers are implementing responsible investment. The first nine have been published and are available on the PRI website.

The PRI also produced a five-page summary document highlighting the key findings in an annotated heat-map table and providing an at-a-glance summary document highlighting the key findings in an integrated analysis guide, which since its publication in February 2015 has been downloaded more than 20,000 times in multiple languages.

### MATERIALLY OF ESG KPIs: A PERSPECTIVE FROM BRAZIL

Materiality of ESG KPIs: a perspective from Brazil explores how material various ESG key performance indicators (KPIs) are across sectors for Brazil-based companies.

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### NEW SUB-COMMITTEES

The Fixed Income Steering Committee has two new subcommittees: the Engagement Sub-committee and the Outreach Sub-committee.

For a full list of the steering committees guiding the PRI’s work, see page 55.

### LISTED EQUITY

Support for implementing responsible investment within listed equities has been part of the PRI since its inception. In the coming year, the PRI will be updating its hugely popular Integrated analysis guide, which since its publication in February 2015 has been downloaded more than 20,000 times in multiple languages.

In Do ESG megatrends influence investment decisions? the PRI summarised the responses of 130 investment professionals on global megatrends impacting the energy sector and identified which key factors they integrate into their energy company valuations.

It found that even though investors acknowledge environmental megatrends such as carbon risk, competition from renewables and geopolitical risk, the biggest impact on valuations are still the traditional profitability drivers.

### ALTERNATIVES

The PRI works across a variety of alternative asset classes, including private equity, property, infrastructure, hedge funds and impact investment.

#### PEI-PRI RESPONSIBLE INVESTMENT FORUM

More than 200 people attended the sixth annual PEI-PRI Responsible Investment Forum in London in June 2015, nearly a third of which were limited partners. Sessions looked at ESG reporting between limited partners and general partners, the role of ESG in co-investments and the limitations of ESG integration in private credit and turnaround investing. A workshop studied ESG clauses in Limited Partnership Agreements.

#### LIMITED PARTNERS DUE DILIGENCE QUESTIONNAIRE

In private equity, work has started on a due diligence questionnaire for limited partners. The LP DDQ will build on the industry-wide ESG disclosure framework for private equity, along with other existing resources, to provide an adaptable list of ESG due diligence questions that limited partners can ask general partners.

#### REPORT ON PROGRESS IN INCLUSIVE FINANCE 2014

The Report on progress in inclusive finance summarises the progress that PRI signatories have made in implementing the Principles for Investors in Inclusive Finance (PRI). It identifies areas of improvement and steps that fund managers and asset owners can take to maximise the impact of their investments.
The PRI works with signatories to identify key environmental, social and governance issues in the market, and coordinates investor engagements to address them.

PRI-COORDINATED ENGAGEMENTS COMPLETED DURING THE YEAR

ANTI-CORRUPTION

Thirty-three investors have spent two years engaging with 33 companies across sectors and regions to encourage more transparent anti-corruption strategies, policies and systems and better disclosure. Throughout the engagement, the PRI has presented the work at events and in publications with the UN Global Compact, the OECD and other business, government and civil society stakeholders.

The first phase of this engagement between 2012 and 2013 encouraged better disclosure and understanding of companies' anti-corruption policies and risk management systems. The second phase built on that by engaging companies on how they are implementing those systems and embedding anti-corruption into company culture, such as in setting a tone for this from the top.

The PRI is now evaluating the project, including assessing all engaged companies against a framework of quantitative and qualitative indicators. An outcomes document, which is due out in late 2015, will detail the engagement’s impact.

EMISSIONS REDUCTION (CDP CARBON ACTION)

Starting in 2012, a group of 14 investors with US$1.5 trillion in assets under management engaged with a selection of emissions-intensive companies that did not have an emissions reduction target in place. In 2014, three more companies set emissions reduction targets for the first time, bringing the total number to do so to 18 out of 31 companies engaged.

Also in 2014, five more companies demonstrated progress towards setting a target; two of three targets set were assessed by investors to be “high-quality” (time-bound, covering major sources of emissions and publicly disclosed); 13 companies acknowledged the need to set a target or demonstrated recognition of investors' concerns.

The PRI’s support for the Carbon Action initiative, via the PRI-coordinated engagement, has now finished, but the programme itself continues through CDP (formerly Carbon Disclosure Project). It is backed by 254 investors and asks companies to reduce emissions.

WATER RISKS IN AGRICULTURAL SUPPLY CHAINS

Forty one investors representing US$6.7 trillion are engaging 46 global, listed companies – in the food, retail, beverage and textile sectors – that are reliant on agricultural inputs from water-scarce regions to improve their management and disclosure of supply chain water risks.

DIRECTOR NOMINATIONS

This engagement encourages companies to adopt a robust nominations process, based on clearly disclosed policies, and to improve the quality of their disclosure around nomination practices. The PRI and the investor group also developed a series of market overviews and case studies looking at the director nomination process in different regions.

The group of 18 investors has started engaging with several of the 24 target companies from the US and France. The group will assess the progress of each engaged company against an established framework, and communicate findings with signatories in late 2016.

CORPORATE CLIMATE LOBBYING

A group of 22 investors are engaging with companies in the US, Canada and Australia on their climate-related lobbying activities, in particular where the company's public position is inconsistent with the positions of trade associations it belongs to. The group has developed a set of investor expectations. It is partnering with Ceres and the Institutional Investors Group on Climate Change (IIGCC).

HUMAN RIGHTS IN THE EXTRACTIVE SECTOR

This recently opened engagement aims to improve mining and oil and gas companies' management of human rights risks, their implementation of the UN Guiding Principles on Business and Human Rights and their related disclosure.

At roundtable sessions in London and Toronto, investors and companies discussed best practices and challenges in implementing the UN Guiding Principles and helped to refine the questions that the engagement will ask. A guidance document comprising outcomes from the roundtables and research on companies' public disclosure on these issues supports the engagement.

CORPORATE TAX PROJECT

Responding to increased signatory interest in corporate tax responsibility, a group of ten European, North American and Asian investors is working with the PRI to develop an engagement guidance document on corporate tax responsibility. The document will contain case studies of engagement dialogue and examples of good company practice. It will provide the background and the key risks, enabling meaningful dialogue with companies on the issue.
PROVIDE OPPORTUNITIES FOR SIGNATORIES TO COLLABORATE

Signatories can use the PRI Clearinghouse to share information, create their own initiatives and use webinar-hosting software and a confidential online workspace to collaborate with peers.

SIGNATORY-LED CLEARINGHOUSE INITIATIVES FROM THE PAST YEAR

CLINICAL TRIALS TRANSPARENCY

A group of 85 investors with US$3.5 trillion in assets under management joined this initiative to encourage companies engaged in funding or conducting clinical trials to register and publish their results.

The results of Phase III trials strongly influence companies’ valuations and stock prices, but roughly half the results from clinical trials are not published, with trials showing negative results being twice as likely to remain unreported than those with positive results. This lack of disclosure presents regulatory and reputational risks for companies, and hinders investors’ ability to make informed decisions. The World Health Organization (WHO) has called for full disclosure.

UN GUIDING PRINCIPLES REPORTING FRAMEWORK

The UN Guiding Principles Reporting Framework aims to help companies meet evolving expectations for more and better public information about how they respect human rights. It can serve as a useful guide for identifying human rights risks in companies, improving disclosure on human rights performance and engaging with companies on human rights issues.

The Reporting Framework was launched in February 2015. As of June 2015, 81 investors with US$4.26 trillion in assets under management had signed the investor statement in support of the Framework.

INVESTOR LETTER TO US SEC ON CARBON ASSET RISKS TO OIL AND GAS COMPANIES

A letter signed by 61 global investors with US$4.26 trillion in assets under management joined this initiative to encourage the US Securities and Exchange Commission (SEC) asking it to improve the quality of reporting to meet investor needs for better disclosure by oil and gas companies of material carbon asset risks.

The letter makes the argument that carbon asset risks are material under SEC rules and most oil and gas companies provide poor or no disclosure in SEC filings. It discusses three companies’ voluntary and SEC disclosure and asks the SEC to pay attention to carbon asset risk reporting and discuss it in the letter to issuers.

UN GLOBAL COMPACT CALL TO ACTION CAMPAIGN

The PRI supported the UN Global Compact’s Call to Action campaign, which is an appeal from business to governments to address corruption and foster systems of good governance.

It will be presented at international events and to UN Secretary-General Ban Ki-moon and all UN Ambassadors to reaffirm the private sector’s commitment to collaborate on ending corruption.

PRI signatories representing US$3.5 trillion are supporting the campaign.

CAMPAIGN ON THE FRENCH FLORANGE LAW

French investors launched an engagement campaign targeting CAAC40 companies on the consequences of the Florange law, passed in April 2014. The law means investors that have held registered shares in a listed French company for at least two years will automatically be granted double voting rights and removes the principle of board neutrality while a takeover offer is being considered. Companies can ask for shareholder support to amend their bylaws to opt out of either provision.

Of the 13 companies that do not already have double voting rights in their own rules, seven voted to opt out of the switch. On removing the principle of board neutrality during takeover periods, 17 companies voted to opt out of the law’s change.

Signatory activity on the CLEARINGHOUSE

PARTICIPATION BY SIGNATORY CATEGORY

- ASSET OWNERS 127
- INVESTMENT MANAGERS 209
- SERVICE PROVIDERS 32

PARTICIPATION BY SIGNATORY REGION

- NORTH AMERICA 94
- LATIN AMERICA 12
- AFRICA 14
- OCEANIA 40
- EUROPE 195

COLLABORATIVE ENGAGEMENT ISSUES

- Social 32
- Environment 25
- Corporate Governance 67
- ESG Disclosure 54

TOP 20 MOST ACTIVE SIGNATORIES ON THE PRI’S CLEARINGHOUSE PLATFORM

- ACTIAM
- Aviva Investors
- Bättinste
- BNP Paribas Investment Partners
- Boston Common Asset Management
- Boston Trust & Investment Management Company
- Calvert Investments
- Candriam Investors Group
- Domini Social Investments
- F&C Asset Management
- Hermes Fund Managers Limited
- Miller Howard Investments
- Mirava
- MN
- NEI Investments
- Pax World
- PGGM Investments
- Rathbone Brothers plc
- Trillium Asset Management
- Triodos Investment Management
The PRI has hosted, co-hosted, given keynote addresses and moderated panels at dozens of events around the world.

**INVESTING FOR IMPACT AND COMPETITIVE RETURNS**
Montreal

“Financial markets function in ways that do not always serve investors or society over the longer term. Interests and incentives are misaligned; capital is allocated to businesses that may prove unsustainable.”
Martin Skancke, Chair, PRI

**GLOBAL COMPACT +15**
New York

**HOW TO ADDRESS GROWING CLIENT DEMAND FOR ESG INVESTING**
New York

“As we see increased demand for these investments from our clients and the marketplace, we are committed to offering broad access to these innovative financial solutions.”
Andy Sieg, MD, Head of Global Wealth & Retirement Solutions, BoA Merrill Lynch

**WORLDPENSIONSUMMIT**
The Hague

“Pension funds can fundamentally change the markets and make them more sustainable.”
Fiona Reynolds, Managing Director, PRI

**FIXED INCOME EVENT**
Boston

How do you engage issuers for good corporate governance?
Why is ESG analysis increasingly important in credit assessment?

**RESEARCH, INNOVATION & STEWARDSHIP**
Reading, New York, Paris and Sydney

**AFIC-PRI PRIVATE EQUITY WORKSHOP**
Paris

**HOW DO RESPONSIBLE INVESTORS VIEW HEDGE FUNDS?**
London

“Today’s best practice in responsible investing will be market standard in a few years’ time.”
William Bryant, Portfolio Analyst, Albourne Partners

**DECONSTRUCTING THE DIVESTMENT DEBATE**
London and New York

**RESEARCH, INNOVATION & STEWARDSHIP**
Reading, New York, Paris and Sydney

**ISLAMIC FINANCE AND ESG**
Manama, Kuwait City, Dubai, Riyadh

“The ideas underpinning Islamic finance appeal to those who are concerned about the broader impact of the finance industry on society.”
Usman Hayat, Director of Islamic Finance and ESG, CFA Institute

**GLOBAL TRENDS, ACADEMIC EVIDENCE AND INTEGRATION INNOVATION**
Melbourne

**RESPONSIBLE INVESTMENT AND SUSTAINABLE DEVELOPMENT TRAINING**
Chile

“The program provides senior professionals a unique opportunity to update their knowledge and acquire the tools to lead responsible investments in their respective industries.”
Agenda Líderes Sustentables 2020

**RI ASIA**
Tokyo

**ASIA CLIMATE PARTNERS EVENT**
Tokyo

“(We) will undertake commercially-oriented private equity investments across a variety of environmentally supportive, low-carbon transactions throughout Asia.”
Asia Climate Partners

**PEI PRI RESPONSIBLE INVESTMENT FORUM**
London

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**HOW DO RESPONSIBLE INVESTORS VIEW HEDGE FUNDS?**
London

“We the asset managers have become increasingly responsive to requests from the asset owner side.”
Mark Jones, Co-Chief Executive Officer, Man GLG

**GLOBAL COMPACT +15**
New York

“Financial markets function in ways that do not always serve investors or society over the longer term. Interests and incentives are misaligned; capital is allocated to businesses that may prove unsustainable.”
Martin Skancke, Chair, PRI

**RI ASIA**
Tokyo

“Financial markets function in ways that do not always serve investors or society over the longer term. Interests and incentives are misaligned; capital is allocated to businesses that may prove unsustainable.”
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**ASIA CLIMATE PARTNERS EVENT**
Tokyo

“(We) will undertake commercially-oriented private equity investments across a variety of environmentally supportive, low-carbon transactions throughout Asia.”
Asia Climate Partners

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PROVIDE OPPORTUNITIES FOR SIGNATORIES TO CONVENE

PRI in Person is the only truly global conference on the responsible investment industry calendar, providing a platform for PRI signatories and investment professionals to learn, network and collaborate over several days.

PRI in Person allows attendees to discuss topical issues and share experiences from their own organisation and region with peers from around the world.

PRI IN PERSON 2014: MONTRÉAL

More than 600 attendees congregated in Montréal for PRI in Person 2014 to discuss their most pressing challenges in integrating environmental, social and governance criteria into investment decision-making.

The agenda covered topics including fossil fuel divestment, tax responsibility, green bonds, fracking, human rights in extractives and executive remuneration.

“Responsible investing: it’s a journey, not a destination.”
Keith Johnson, Reinhart Boerner Van Deuren

“Societal expectations to view tax as a sustainability issue are growing.”
Robert Wilson, MFS Global

“I’m tired of hearing about alpha and beta. Talk to me about investing in businesses, about management quality and sustainable company cash flow.”
Keith Ambachtsheer, Rotman International Centre for Pension Management

“One: I want you to help me to scrub the lobbying practices against an ambitious climate strategy.
Two: You as investors have access to ministries of finance in your countries, so run this issue up the flagpole.
Three: Sign the Montréal Carbon Pledge*.”
Christiana Figueres, United Nations Framework Convention on Climate Change (UNFCCC), made three requests of delegates attending PRI in Person.

The Montréal Carbon Pledge was launched on 25 September 2014 at PRI in Person in Montréal.

MORE THAN 50 INVESTORS PLEDGED TO MEASURE AND PUBLICLY DISCLOSE THE CARBON FOOTPRINT OF THEIR INVESTMENT PORTFOLIOS.*

www.montrealpledge.org

*At 30 June 2015, 58 investors had signed.

Since its inception PRI in Person has brought together:

200+ SESSIONS
500+ SPEAKERS
2,500+ ATTENDEES

89% of delegates rated their experience at PRI in Person 2014 as either “very good” or “excellent”

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The PRI engages signatories, policy makers and regulators to identify and tackle regulatory barriers to responsible investment.

**POLICY CONSULTATIONS**

Using the Reporting Framework as an evidence base, the PRI has reacted quickly to policy consultations, leading to well-received submissions to:

- revision of the EU’s Shareholder Rights Directive
- the Japanese Corporate Governance Code
- Hong Kong’s Principles of Responsible Ownership
- the UK’s Changes to the Investment Regulations

**CLIMATE CHANGE**

The PRI, along with the four global climate bodies, coordinated an open letter to G7 finance ministers urging them to support a long-term emissions reduction goal in the international climate agreement due to be sealed at COP21 in December. The letter was signed by 120 investor CEOs from around the world managing funds worth more than US$12 trillion.

At Climate Finance Day in Paris on 22 May, PRI Chair Martin Skancke met French President François Hollande and French Finance Minister Michel Sapin to explain the work of the PRI and the role of investors in tackling climate change.

**THE CASE FOR INVESTOR ENGAGEMENT IN PUBLIC POLICY**

The case for investor engagement in public policy analyses why and how investors should engage with policy makers to build a sustainable financial system.

Based on interviews with an international group of investors and policy makers, it offers practical, effective recommendations, proposing a five-step approach to better integrate investor perspectives on ESG factors in the policy-making process.

**LONG-TERM MANDATES**

The PRI has been building on the discussion paper released in July 2014 to produce a series of asset owner case studies on long-term guidance. For more on this and other examples of the PRI’s work to increase the representation and participation of asset owners, see pages 30–31.

**FIDUCIARY DUTY IN THE 21ST CENTURY**

The PRI’s fiduciary duty project set out to understand why investors are not systematically integrating ESG as part of their fiduciary duty.

The original Freshfields report on the subject in 2005 concluded that ‘integrating ESG considerations into an investment analysis so as to more reliably predict financial performance is clearly permissible and is arguably required in all jurisdictions’.

Ten years on, Fiduciary Duty in the 21st Century, a result of nine months of events, interviews, case studies and a legal review, finds that ESG integration is required – supporting a trend shown across investment practice and by public policy changes. Many countries have introduced regulation and codes requiring investors to integrate ESG issues, to engage companies, and to report on their investment approach.

The report proposes a series of practical actions for investors, intermediaries – including investment advisers, brokers and ratings agencies – and policy makers to address barriers including:

- outdated perceptions about fiduciary duty;
- a lack of clarity within prevailing definitions of fiduciary duty;
- weaknesses in the responsible investment evidence base;
- weaknesses in asset owner implementation and corporate reporting;
- weaknesses in the implementation and oversight of regulation and codes.

The report is written in conjunction with UNEP FI, UN Global Compact, and its launch at PRI in Person in September 2015 will be followed by a series of launch events in each of the eight countries featured in the report: Canada, US, Brazil, UK, Germany, South Africa, Japan and Australia.

**RI QUARTERLY**

RI Quarterly extracts key findings from academic research on responsible investment in a clear and concise manner for investors, intermediaries – including investment advisers, brokers and ratings agencies – and policy makers to address barriers including:

- Unleashing performance through reporting and disclosure, including articles on how CO2 disclosure cuts the cost of debt and a valuation experiment with private equity investors.
- The PRI Impact, discussing the history, challenges and future direction of the PRI itself.

**ACADEMIC NETWORK CONFERENCE**

In 2014 the Academic Network Conference was for the first time back-to-back with PRI in Person in Montreal, bringing investors into the research discussions and giving academics deeper insight into the needs of practitioners.

Keynote sessions covered: short-termism, the benefits of rewarding long-term investors, moral values in finance and the Anthropocene.

Recent issues include:

- Unleashing performance through reporting and disclosure, including articles on how CO2 disclosure cuts the cost of debt and a valuation experiment with private equity investors.
- The PRI Impact, discussing the history, challenges and future direction of the PRI itself.

**SUSTAINABILITY PRIZES FOR EXCELLENCE IN RESPONSIBLE INVESTMENT RESEARCH**

The themes for the 2014 call for papers were: ESG integration; shareholder engagement; short-termism and structural market failure; social finance; transparency and reporting.

The winning papers were:

- **BEST PAPER:** Why talk? A process model of dialogue in shareholder engagement by Fabrizio Ferraro (IESE Business School) and Daniel Beunza (London School of Economics)
- **HONOURABLE MENTION:** Exploration of the cross-sectional return distributions of socially responsible funds by Jaran Du, Brandon Thomas and Janis Zingelis (Envestnet Asset Management)
- **HONOURABLE MENTION:** Risk attenuation and the reporting of corporate social (health and safety) performance to investors by Sharon O’Neill (Macquarie University), Jack Flanagan and Kevin Clarke (University of New South Wales)

**STUDENT PRIZE (JOINT WINNER):** Why do socially responsible firms pay more dividends? by Mohammed Benlemlih (Grenoble University) and Sarah Barker (University of Melbourne)

**STUDENT PRIZE (JOINT WINNER):** Why do socially responsible firms pay more dividends? by Mohammed Benlemli (Grenoble University)

**FIR-PRI EUROPEAN RESEARCH AWARDS**

The FIR-PRI Awards in finance and sustainability are a joint initiative with Forum pour l’Investissement Responsable (FIR). The winning papers in 2014 examined topics such as rewarding long-term investors, moral values in finance and energy investment.
The PRI Academy provides CFA-accredited online training on how ESG issues impact company performance, shareholder value and investment decisions.

The PRI acquired the RI Academy from Responsible Investment Association Australasia in October 2014, and since then has:
- meticulously reviewed all course content to update and improve it;
- fully aligned course content with the PRI's beliefs and policies;
- added more PRI materials throughout;
- created consistent, easy to follow terminology.

The new courses will be available later in 2015.

COURSES
Courses feature content from international experts, real and hypothetical case studies and financial modelling. Every course is delivered entirely online.

RI FUNDAMENTALS
Responsible Investment Fundamentals is a two-three hour training course designed for business professionals who want an insight into responsible investment. The course delivers the business case for investing responsibly and introduces new ideas to traditional investment approaches.

RI ESSENTIALS
Responsible Investment Essentials is a 12-14 hour course focusing on identifying and implementing ESG factors into investment decision-making. The course uses case studies to illustrate the materiality of ESG issues in business, introduces strategies for identifying and managing new approaches to ESG risk, and demonstrates methods for integrating sustainability data into financial modelling.

ENHANCED FINANCIAL ANALYSIS
Enhanced Financial Analysis is a six-eight hour advanced course. The course examines the use of sustainability data in fundamental investment analysis and stock valuation, identifying critical ESG issues relevant to sustainability performance, key value drivers, and overall financial outcomes.

The training is completely web-based, which means you can start and finish when and where you please: no travel, no pressure, lower greenhouse gas emissions.

Each PRI Academy course comes with a one-year licence. The Academy support team structure learning programmes, monitor progress and assess via the online learning platform.

Academy courses do not require any existing skills or knowledge, though candidates considering the Enhanced Financial Analysis course will get the most out of it if they have experience of financial analysis and responsible investment.

“*The PRI Academy is a particularly well put together course, and it is helping us better understand how we can integrate ESG issues into our investment frameworks.*”
Sovereign, New Zealand

“*The PRI Academy is the gold standard and unique in the marketplace.*”
Colonial First State Global Asset Management, Australia

HOW TO ENROL
- To enrol please visit our website at www.priacademy.org
- For group enrolments please email us at priacademy@unpri.org
ENHANCE SIGNATORY ACCOUNTABILITY MECHANISMS

The PRI Reporting Framework ensures accountability of the PRI and its signatories.

SIGNATORIES ARE REQUIRED TO REPORT THEIR ESG IMPLEMENTATION BY ASSET CLASS THROUGH THE PRI REPORTING FRAMEWORK. THIS INCLUDES AN ELEMENT OF PUBLIC DISCLOSURE AND AN ASSESSMENT PROCESS FOR SIGNATORIES TO LEARN AND DEVELOP YEAR-ON-YEAR.

936 SIGNATORIES REPORTED ON THEIR PROGRESS IN IMPLEMENTING THE PRINCIPLES

In the latest reporting cycle, 936 signatories reported on their progress in implementing the Principles. With reporting numbers high – in each of the last two years, fewer than five signatories have been delisted for failing to report – the PRI has been turning its attention towards better differentiating between the most active and least active signatories.

Key to this will be a new band highlighting signatories scoring above 95% in each module. Another change will see signatories that do not implement responsible investment in an asset class separated out from those who are active but at an early stage.

Key findings were:

Many asset owners are not following through

Nearly 80% of asset owners ask investment managers about ESG approaches in requests for proposals, but only half discuss the minimum they expect managers to do, less than a third include ESG-related variations in pay, and less than two-thirds have ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay.

Incentivisation is low throughout organisations: the figures are not much higher for other C-suite staff, portfolio managers or investment analysts. Even for dedicated responsible investment staff, under a third receive ESG-related variations in pay, and less than two-thirds have ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay.

The 2015 Report on Progress will be available September 2015.

ASSESSMENT SESSIONS

A new part of the reporting process in the last cycle was the Assessment Sessions programme. The sessions involved one-to-one conversations between PRI staff and reporting signatories across the world to collect feedback on the reporting tool and answer questions about how scoring and specific indicators work. The sessions are designed to help signatories to improve assessment performance through better responsible investment policies and processes.

Signatories are positive about the Reporting Framework: 94% say that it captures their implementation of responsible investment to a large (62%) or moderate (33%) extent.

The Transparency Report is a public record of each signatories’ reporting. More than 120,000 copies have been downloaded from the PRI website.

NEW BAND

A+ 95-100%
A 85-94%
B 75-84%
C 65-74%
D 55-64%
E 0-54%

ASSESSMENT REPORTS

Assessment Reports were released for the first time in September 2014, at the end of year one of a two-year pilot phase. They were strictly confidential: the PRI did not publish them and signatories were not permitted to publish their own. In year two of the pilot the PRI will make Assessment Reports available for signatories to use as they wish share to demonstrate performance against peers or keep in-house as an internal learning and development tool.

ASSESSMENT REPORTS WILL BE AVAILABLE FOR SIGNATORIES TO USE AS THEY WISH

ASSIGN WEIGHTINGS TO IT

KEEP IN-HOUSE AS AN INTERNAL LEARNING AND DEVELOPMENT TOOL

SHARE TO DEMONSTRATE PERFORMANCE AGAINST PEERS

FRAMEWORK IMPROVEMENTS

The PRI is constantly working to develop the Reporting Framework into a more effective tool for recording signatories’ responsible investment activity.

Changes for the latest cycle involve:

- Making the Reporting Framework easier to use: pre-filled responses based on signatories’ entries in the previous cycle saved signatories time; improved explanatory notes and definitions have made it clearer how to get the most out of the tool.
- Capturing a broader range of outputs: such as revamping modules covering fixed income and organisational overviews.

95% of signatories say that the Reporting Framework captures their implementation of responsible investment

Most signatories aren’t incentivising the C-suite

Less than 10% of signatories vary CEO/CIO/Investment Committee pay based on ESG performance, and less than half include ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay.

Incentivisation is low throughout organisations: the figures are not much higher for other C-suite staff, portfolio managers or investment analysts. Even for dedicated responsible investment staff, under a third receive ESG-related variations in pay, and less than two-thirds have ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay.

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STRENGTHEN THE PRI VOICE AND BRAND

In the last year, quotes from PRI spokespeople have appeared in more than 100 articles across prominent mainstream and trade publications, as well as broadcast media. The PRI has featured in more than a dozen articles in the FT alone, including two opinion columns, and is making significant new connections with US media such as the Wall Street Journal and Barron's.

**NEWS**

- **Bloomberg**
  Principles to keep the earth, your portfolio clean
  READ THE ARTICLE

- **FT Adviser**
  When they speak out, investors can change the world
  READ THE ARTICLE

- **MarketWatch**
  Divestment from fossil fuels won't magically stop climate change
  READ THE ARTICLE

- **BBC News**
  Can the divestment movement tame climate change?
  READ THE ARTICLE

- **REUTERS**
  Investors seek transparency on corporate taxation
  READ THE ARTICLE

- **POLITIKEN**
  Ansvarlige investorer skal stille krav til olieselskaber
  Responsible investors must demand more from oil companies

- **FT Financial Times**
  Environmental Finance
  Taking the PRI to the next level
  READ THE ARTICLE

- **Investor**
  Investors tackle the impact of water scarcity on their portfolios
  READ THE ARTICLE

- **Political Tribune**
  Climat : la finance décrète la mobilisation générale
  Investors mobilise around climate finance
  READ THE ARTICLE

- **Financial Times**
  To save the planet, buy oil and gas
  READ THE ARTICLE

**KEY CONTACT**

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Head of Public Relations
joy.frascinella@unpri.org

**IMPACT** | **INFLUENCE** | **CAPABILITY**
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The PRI Networks are geographic groups of signatories working together on responsible investment in their region.

Signatories can connect with Networks anywhere in the world to benefit from local expertise when addressing responsible investment challenges that are specific to a particular market. The PRI assigns dedicated Network Managers to each region to provide signatories with an active relationship with the PRI, guiding signatories to resources from across the organisation.
INCREASE THE REPRESENTATION AND PARTICIPATION OF ASSET OWNERS

Asset owners have always been at the heart of the PRI’s mission: they play a unique role in driving responsible investment.

CLIMATE CHANGE PROJECT

The PRI launched its Asset Owner Climate Change Strategy Project in response to asset owner interest in understanding whether and how to set an emissions reduction goal. A growing number of asset owners want to know how their assets are exposed to climate change risks, and the role that they can play in an orderly transition to a lower carbon economy.

Phase 1 is a discussion paper that lays out:

- a strong case for asset owner action on climate change;
- why a portfolio carbon footprint is a useful tool for asset owners;
- the key factors for asset owners to consider when reducing emissions.

Phase 2 of the project, due out in time for COP21 in December, will provide a pilot framework for reducing emissions and case studies detailing investor action.

LONG-TERM MANDATES

The PRI has been building on the discussion paper on long-term mandates released in July 2014 to produce a series of asset owner case studies on long-term guidance.

Challenges to long-term investing are numerous: the simple human tendency towards the short term, investment manager pay incentives, fee incentives throughout the investment chain (e.g. stock exchanges, investment consultants, brokers), quarterly corporate reporting, short-term data, lack of investor engagement in public policy and disengaged beneficiaries to name just some.

The case studies will look to address some of these issues, covering topics such as: the case for long-term investment, investment beliefs, corporate engagement and turnover, remuneration, risk management and mandate design.

DEDICATED GUIDANCE

A new work stream dedicated to producing asset owner insight will cover portfolio-level ESG considerations, including coverage of selecting/appointing/monitoring managers and passive investment.

TAILORED MATERIALS

Where publications cut across owners and managers, we have highlighted considerations specific to asset owners such as defining expectations of managers and adjusting requests for proposals.

BUILDING ACCOUNTABILITY

The 2014 Report on Progress found that while nearly 80% of asset owners ask managers about their approach to ESG, under a quarter then specifically include ESG when evaluating the managers’ performance. Only about 15% link ESG performance to CEO/CIO/investment Committee pay and under 20% link ESG performance to pay even for their dedicated responsible investment staff.

The PRI held more than 60 one-to-one assessment sessions with asset owners during the most recent reporting cycle to help them to improve assessment performance through better responsible investment policies and processes.

Between 1 July 2014 and 30 June 2015, 24 new asset owners signed up to the Principles, representing an additional US$63.4 billion in assets under management.

This brings the total number of asset owner signatories to 286, with assets under management of US$5.5 trillion.

The asset owner signatories that have joined the PRI since 1 July 2014 are:

- M&GAD Insurance Group Holdings (Japan)
- University of California (US)
- Public Sector Pension Investment Board (Canada)
- Nordea Life & Pensions (Sweden)
- QBE Insurance Group (Australia)
- Barmer Versicherung (Germany)
- Lancashire County Pension Fund (UK)
- Colleges of Applied Arts & Technology Pension Plan (Canada)
- Stichting Total Pensioenfonds Nederland (Netherlands)
- University of Victoria (Canada)
- Salvepar (France)
- Comic Relief (UK)
- Teachers’ Retirement System of the City of New York
- The United Church of Canada (Canada)
- Treehouse Investments (Puerto Rico)
- University of St. Andrews (UK)

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- The United Church of Canada (Canada)
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- University of St. Andrews (UK)
The PRI developed a database of 180 organisations operating in finance, sustainability and responsible investment to identify key stakeholders that it should be formally collaborating with.

The purpose of establishing these relationships is to align strategies and activities and to produce meaningful outputs such as co-hosted events, co-authored publications and working groups.

Examples of this work so far include:

- Working with the International Integrated Reporting Council (IIRC) on the RI Quarterly issue Unleashing performance through reporting and disclosure.

“"As part of a collaborative engagement coordinated by the PRI via the Clearinghouse platform, a group of 14 investors with US$1.5 trillion in assets under management have engaged with selected emissions-intensive companies that do not have an emissions reduction target in place.”

CDP Carbon Action report 2014

- Working with CERES and the Institutional Investors Group on Climate Change (IIGCC) on the Corporate climate lobbying engagement. For more detail on this and the PRI’s other engagement work to Provide opportunities for signatories to collaborate, see pages 10-13.

- Building a relationship with CFA Institute including through co-hosting events such as the Islamic Finance and ESG seminar series in Bahrain, Kuwait, UAE and Saudi Arabia, and Alpha from Sustainability events in Amsterdam and Vancouver. CFA Institute’s Future of Finance initiative aims to shape a trustworthy, forward-thinking financial industry that better serves society.

- Working with CDP (formerly the Carbon Disclosure Project) on the CDP Carbon Action project. This initiative, backed by 254 investors representing US$19 trillion of assets, asks companies to reduce emissions. The PRI coordinated the investor engagement for the project.

The PRI is an investor initiative in partnership with the UNEP Finance Initiative (UNEP FI) and the UN Global Compact.

CARING FOR CLIMATE

The Caring for Climate initiative is aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes.

The initiative is coordinated by the UN Global Compact, the UN Environment Programme, the UN Framework Convention on Climate Change and the PRI.

SUSTAINABLE DEVELOPMENT GOALS

In a key year for the Sustainable Development Goals – the UN’s post-2015 successors to the Millennium Development Goals – the PRI has been highlighting the role that institutional investors can play in financing solutions to global challenges such as climate change, social injustice, poverty and inequality.

In July 2014 the PRI attended a 150-person meeting with the UN Global Compact Board, the Principles for Responsible Management Education Champions Group, 30 ambassadors and UN Secretary-General Ban Ki-moon in New York to discuss the historic opportunity business has to shape and advance the post-2015 development agenda.

Working alongside the UN Global Compact, UNEP FI and UNCTAD, the PRI targeted policy makers with the report Private sector investment and sustainable development, and submitted it to the co-chairs of the Financing for Development process.

The PRI has also submitted a response to a consultation on Financing for Development by the UN Sustainable Development Solutions Network.
Find the publications, engagements and events that matter to you.

The brand new PRI website will combine our public website and our signatory-only portal into a single offering. A comprehensive Explore page will allow you to search and filter through all the PRI’s content, including publications, collaborative engagements and events, in one place. New personalisation features based on your interests will tailor the homepage and e-newsletters to the asset classes, regions and topics that are important to you.

ATTRACT AND DEVELOP HUMAN CAPITAL

Our people matter.

EQUALITY, DIVERSITY AND INCLUSION

The PRI aims to be a genuinely inclusive organisation. Our objective is to integrate equal treatment and promotion of diversity into all aspects of the PRI’s day-to-day life.

The PRI commits to:
- ensuring that all individuals who come into contact with the PRI, whether as employees, contractors, consultants, signatories or in other capacities, are treated with dignity and respect;
- ensuring that the opportunities the PRI provides for learning, personal development and employment are made available on a non-discriminatory basis;
- providing a safe, supportive and welcoming environment for colleagues and visitors alike.

PAY AND BENEFITS

The PRI benchmarks salaries and benefits against comparable organisations to ensure fairness to employees and signatories alike. We are proud to be an accredited Living Wage Employer: we ensure that all staff, including contracted service staff and interns are paid above the London Living Wage. We never use unpaid internships.

Benefits are tailored to be consistent with our beliefs: for example, to encourage environmentally sustainable transport among staff, car and mileage allowances are not provided but the UK Government’s cycle-to-work scheme is.

All new parents at the PRI are able to enjoy equal parental leave benefits regardless of gender or sexuality: our policy goes beyond even the minimum standards required by the UK’s recently introduced Shared Parental Leave legislation. The PRI is evaluating the fairest way in which to extend a similar value benefits package to our international employees. We already cover paid annual leave, bank holidays and sick pay and cover statutory benefits in countries where we have staff and contractors.

LEARNING AND DEVELOPMENT

The PRI aims to develop staff through:
- secondment opportunities with signatories;
- vocational learning;
- internal knowledge-sharing programmes;
- external expertise.

The PRI also spends money on external training courses (about £550 per head between July 2014 and June 2015), but as a signatory-funded organisation, learning and development opportunities that incur a cost are kept to a minimum.

EXECUTIVE TEAM

www.unpri.org
We encourage signatories to actively participate in all areas of PRI governance, and there are regular opportunities for all categories of signatory to do so.

As of 1 April 2015, the PRI Association is governed by the PRI Association Board (the Board), as set out in the Articles of Association of PRI Association.

The PRI Board is collectively responsible for the long-term governance, and there are regular opportunities for all categories of signatory to do so.

- exercising accountability to signatories and being responsible to relevant stakeholders;
- setting the strategy, risk appetite and structure;
- delegating the implementation of the strategy to the PRI Association Executive (the Executive);
- monitoring the Executive’s performance against the strategy;
- establishing the PRI’s mission, vision and values;
- setting the strategy, risk appetite and structure;
- exercising accountability to signatories and being responsible to relevant stakeholders.

PRI GOVERNANCE REVIEW (SEPTEMBER 2013 – APRIL 2015)

The establishment of the Board follows a comprehensive, independent governance review and extensive signatory consultation, paving the way for a simpler, more transparent and accountable governance structure.

SIGNATORY RIGHTS

Signatory rights and the delegation of authority from signatories to the Board attracted significant feedback during the governance review consultation. There are several new mechanisms to encourage structured dialogue between signatories and the Board at regular intervals, to ensure that the Board remains accountable to signatories and that decision-making remains transparent.

The annual Signatory General Meeting, usually held to coincide with PRI in Person, is an important forum for dialogue between the PRI Board, signatories and the Executive. The Board has the responsibility to report annually to signatories on the progress in implementing the three-year strategic plan and the SGM is an opportunity to present in person the progress of the PRI as well as the decisions that the Board and its committees have made over the preceding year.

SIGNATURES HAVE THE RIGHT TO:

- approve amendments to the Articles and Principles
- propose a non-binding resolution
- nominate candidates for, and vote in, Board elections
- signatories can put forward eligible candidates for Annual, Mid-term or Extraordinary Elections. Asset owners, investment managers and service providers vote for candidates in their respective categories.
- confirm the appointment of the Chair
- The Directors nominate the independent Chair, but the appointment and term must be confirmed by a simple majority vote, including a simple majority of asset owner voters.
- receive the annual accounts
- At each SGM the PRI must present to signatories the latest annual accounts, any required accompanying reports and the auditor’s report.
- confirm the appointment of the auditor
- When the PRI is required by the UK Companies Act to appoint an auditor, the PRI must seek signatories’ prior approval.
- approve the minutes of an SGM
- The proceedings of each SGM are minuted. Signatories will be asked to approve the minutes by a simple majority vote.
- Formal Consultation
- The PRI will hold a Formal Consultation with signatories before adopting a three-year strategic plan or making any material changes to the governance structure.
- Objects, Mission, Principles or fee structure. The PRI must put to the vote any resolution requested by at least 3% of all asset owner voters.
- call for an Extraordinary Election
- Signatories can have the PRI arrange an election for all ten elected Board positions. If at least 3% of all signatories write to the PRI requesting an Extraordinary Election, the Directors must arrange an electronic poll of all signatories on whether an Extraordinary Election should take place. The election will go ahead if approved by a simple majority vote, including a simple majority of asset owner voters.
- propose a non-binding resolution
- The PRI must put to the vote any resolution requested by at least 3% of asset owners, investment managers or service providers. If a simple majority of voters approve the resolution, the Board must report on its deliberations and responding action on a comply or explain basis.
DELIVER AND SUPPORT AN EFFECTIVE GOVERNANCE STRUCTURE

The Board is composed of:

- one Chair
- ten Directors* (seven elected by asset owner signatories, two by investment manager signatories and one by service provider signatories)
- two Permanent UN Advisors from the PRI’s founding UN partners (UN Global Compact and UNEP Finance Initiative).

* The number and arrangement of Directors currently differs from this composition because the former PRI Advisory Council representatives became Board Directors upon the Advisory Council dissolution on 1 April 2015. The Board will reach its intended composition when they have all served their original elected terms, the last of which will end in January 2017.

BOARD AND ADVISORY COUNCIL MEETING ATTENDANCE (JULY 2014 - JUNE 2015)

**or Annie Degen or Eric Usher or Yuki Yasui** represented by a delegate at one Advisory Council meeting
****represented by a delegate at two Advisory Council meetings and one conference call
*****represented by a delegate at one Advisory Council call

**

BOARD COMMITTEES

A number of committees to facilitate the workings of the Board were established within the new governance structure in April 2015.

As part of the PRI’s governance review, the roles and purposes of the Board committees were reviewed. A number of the new committees assume some of the responsibilities of former Advisory Council and Board committees. Where there is a strong overlap, the meetings of the former committees are noted.

ETHICS

Members: Niels Erik Petersen (Chair), Geeta Aiyer, Marcel Barros

The committee is responsible for overseeing the values, ethics and good reputation of the PRI, including matters related to the PRI Association Board Code of Ethics.

The committee has met once since it was established in April 2015.

FINANCE, AUDIT AND RISK

Members: Colin Melvin (Chair), Mark Chaloner, Priya Mathur

The committee assures the Board of: the veracity of the financial statements, the efficacy of risk management and the strength and appropriateness of control processes across the PRI. The committee’s responsibility and authority covers the entire PRI Association and any joint ventures that may be entered into.

The committee has met once since it was established in April 2015. (The former Audit and Risk committee met once between July 2014 and March 2015.)

HUMAN RESOURCES AND REMUNERATION

Members: Renosi Mokate (Chair), Daniel Simard, Eric Wetlaufer

The committee ensures that the human resources and remuneration arrangements support the strategic aims of the PRI Association and enable the recruitment, development and retention of staff. They must comply with regulatory and governance requirements, satisfy the expectations of members and meet target employees’ expectations.

The committee has met twice since it was established in April 2015. (The former Remuneration committee met three times between July 2014 and March 2015.)

SIGNATORY AND STAKEHOLDER ENGAGEMENT

Members: David Atkin (Chair), Renosi Mokate, Gavin Power, Daniel Simard, Peter Webster, Eric Usher

The committee guides the Board and Executive on: signatory status and categorisation, active participation of signatories in PRI activities and work streams, effective communication with signatories, outreach to prospective signatories and effective partnerships with key stakeholders.

The committee has met twice since it was established in April 2015. (The former Membership committee met once between July 2014 and March 2015.)

SKILLS, DIVERSITY AND ELECTIONS

Members: Martin Skancke (Chair), Geeta Aiyer, Priya Mathur, Peter Webster

The committee guides the Board on the measures to promote the diversity and appropriate skills and expertise for it to carry out its duties effectively. It facilitates the process for the Board to evaluate the Board Chair’s performance and supports the Board in overseeing the election process.

The committee has met three times since it was established in April 2015. (The former Election Oversight Committee met once between July 2014 and March 2015.)

BOARD REMUNERATION

Two Directors who served as Board Chair received remuneration during the period.

NEW BOARD / PREVIOUS ADVISORY COUNCIL

PREVIOUS BOARD

Meetings Calls Fees

Paul Abberley (ended 12/14) 1/3 0/2
Geeta Aiyer (started 01/15) 2/2 2/2
Charles Andersen** 4/5 3/4
David Atkin 4/5 3/4
Marcel Barros 5/5 2/4
Else Boe (ended 12/14)** 4/3 0/2
Mark Chaloner (started 01/15) 4/3 2/2
Priya Mathur 3/5 3/4
Culm Malin
Renosi Mokate (started 01/15) 0/2 1/2
John Oliphant (ended 11/14)*** 0/3 0/2
Nicola Eric Petersen 5/5 4/5
Gavin Power 4/5 2/4
Ludmila Ribeiro (ended 06/15)**** 1/4 1/4
Martin Skancke 1/2 4/4
 prioritises remuneration during the period.

BOARDS

DIRECTORS ELECTED BY ASSET OWNERS

Niels Erik Petersen 5/5 4/4
Gavin Power 5/5 2/4
Luciane Ribeiro (ended 06/15)**** 1/4 1/4

DIRECTORS ELECTED BY NON-ASSET OWNERS

Daniel Simard 5/5 4/4
Eric Wetlaufer 5/5 4/4

PERMANENT UN ADVISORS

Geeta Aiyer (started 01/15) 2/2 2/2
Marcel Barros 0/3 0/2

The new Board had a meeting in June 2015 and a call in April 2015.

The old Advisory Council and Board each had meetings in March 2015, December 2014, September 2014 and July 2014, plus calls in February 2015, November 2014 and September 2014.

The committee has met once since it was established in April 2015. (The former Audit and Risk committee met once between July 2014 and March 2015.)

Terms of Reference

FINANCE, AUDIT AND RISK

Members: Colin Melvin (Chair), Mark Chaloner, Priya Mathur

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**or Annie Degen or Eric Usher or Yuki Yasui** represented by a delegate at one Advisory Council meeting
****represented by a delegate at two Advisory Council meetings and one conference call
*****represented by a delegate at one Advisory Council call

*represented by a delegate at one Advisory Council meeting

**represented by a delegate at two Advisory Council meetings and one conference call

***represented by a delegate at one Advisory Council meeting
Partnering with the PRI allows organisations to showcase their commitment, associate themselves with expertise and leadership and gain exposure to peers and potential clients through branding, speaking engagements and more.

The PRI is committed to ensuring that it is open and transparent about its fundraising and spending. The PRI is always honest about where its money comes from and the way in which it is spent.

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; sponsoring, hosting or publishing PRI events or publications; or advertising.

- Arts
- Addenda Capital
- Allard Climate Solutions
- Amundi Asset Management
- APG Asset Management
- Aviva Investors
- Asia
- Bambriere
- IoMC
- BlackRock
- Bonniberg
- Btst Heilbr Lynch Global research
- British Embassy – Japan
- Caixa de Depés
- Cap Finance/Donjardies
- Cartlson JCI
- Catholic Superannuation Fund
- CFA Institute
- City of London Corporation
- City of Montreal
- CEECA/John Molson School of Business
- Corporate Knights
- CPEF / CIRA
- CSSP - Center for Social and Sustainable Products
- Developing World Markets
- Environmental Finance
- Environmental Resources Management
- Exxon
- EY
- F&C Management
- Finance Montreal and the Quebec PRI Network Signatories
- First Capital Realty
- FTSE Group
- GIE XAX
- Government Employees Pension Fund of South Africa
- Hermes Equity Ownership Services Ltd
- Hessamot
- HSBC Global Asset Management
- Infravem
- Ixis Asset Management
- Ivanhoe Cambridge
- Kepler Chaverres
- KPMG Bainbridge
- KPMG
- KPG
- Local Government Superannuation Scheme
- London School of Economics (LSE)
- Maital Gestion
- Man Group
- Mark
- NIRI
- Northern Trust Asset Management
- O'Dwyer
- Office of the Chief Investment Officer University of California
- Old Mutual plc
- Ownership Capital
- Power Corporation
- Previa
- PRBC - Caixa de Previdencia dos Funcionários do Banco do Brasil
- Private waterhouse/Caspers LLP
- Replika
- Responsible Investor
- Robbins Geller Rudman & Dowd LLP
- Roberto
- Quote AP-Branden
- South Pole
- Standard Life Investments
- Sarcor Energy
- Sustainalytics
- Sustainalytics Asset Management
- TD Asset Management
- Thomson Reuters
- Threads
- Toronto Stock Exchange
- Trivium Labs
- Visae
- Wellington Management Company
- Wespath Investment management

As a member of the Fundraising Standards Board (FRSB) the PRI follows the Institute of Fundraising’s Code of Fundraising Practice and uses the FRSB’s Fundraising Promise:

**OUR FUNDRAISING PROMISE**

- We are committed to high standards
- We are honest and open
- We are clear
- We are respectful
- We are fair and reasonable
- We are accountable

**Our Fundraising Promise**

- We are fair and reasonable
- We are respectful
- We are clear
- We are committed to high standards

**FINANCIAL REPORT**

**SUMMARY OF INCOME**

**MEMBERSHIP FEE – RENEWAL**

<table>
<thead>
<tr>
<th>Income</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>From new and existing signatories</td>
<td>4,560</td>
</tr>
<tr>
<td>Grants, donations and other income</td>
<td>493</td>
</tr>
<tr>
<td>PRI in Person and Academic Network Conference surplus PRI Academy</td>
<td>239</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>4,314</td>
</tr>
</tbody>
</table>

**EXPENDITURE**

During 2014/15, total expenditure grew to £4.7 million (2013/14: £4.3 million). A summary of spending is provided in the table below, along with further information about the categories with expenditure above £100,000.

1. **Staff: Staff costs increased to £2.7 million (2013/14: £2.3 million).**

The PRI’s staff are its main asset and as a result, salary costs make up the largest single item of expenditure. Total staff numbers grew to 63.9 full-time equivalents (FTE) at 30 June 2015 (30 June 2014: 52.4), as we expanded activities in our regional Networks and Signatory Relations, in Policy and Research and hired staff for the newly acquired PRI Academy.

2. **Network teams:** The cost of running Network teams increased to £441,000 (2013/14: £424,000).

3. **Bought-in services and consulting:** The cost of bought-in services and consulting decreased to £4.5 million (2013/14: £4.3 million).

External suppliers are contracted where there is a short-term or one-off requirement for support or expertise, and where internal resources or expertise are unavailable. All major procurement projects and consultancy engagements are reviewed by the Director of Operations and Finance before the appointment is confirmed.

The PRI incurred costs greater than £10,000 with these providers: Right Lane Consulting (strategy review), Carnstone Partners (governance review), Mirador Consulting (Fixed income investor guide), Foundation for the Global Compact (staff sharing), University having new Network Managers in the US and Europe. Networks provide support to signatories at a local or regional level, with staff and consulting services based in the United Kingdom, Japan, South Africa, Australia, Germany, Brazil and the US.

**INCOME**

During the 2014/15 financial year, the PRI derived income from the following sources:

- **Signatory fees:** All signatories pay an annual fee, based on their total assets under management (for asset owners and investment managers) or number of employees (for service providers). In 2014/15, income from new and existing signatories amounted to £4.56 million (2013/14: £3.95 million), accounting for nearly 92% of the PRI’s income.

**Grants, donations and other income:** There was a £9,000 downward adjustment to prior years’ provision for a European Commission grant that was subsequently reduced. The PRI received £32,000 in contributions to two projects: the Asset owner climate change strategy project and the Fixed income investor guide.

**PRI in Person:** Event sponsorships and delegate fees from the PRI’s annual conference, held in Montréal in September 2014, contributed £399,000 in net income (2013/14: £239,000). The increased income is a result of approximately 200 additional attendees, and significantly increased sponsorship.
of Reading (research collaboration agreement with the PRI Senior Academic Fellow). Language Connect (translation and proof-reading of Reporting and Assessment materials).

The PRI is committed to ensuring a fair, transparent and accountable process for the purchasing of goods and services from external suppliers. A copy of the PRI’s procurement policy, which provides direction to staff in relation to tendering, contracting and procurement activity, is available on the PRI website.

4. Rent: Rent costs decreased to £313,000 (2013/14: £331,000).

The 2014/15 financial year was the first full year the PRI spent in its new, larger offices in Aldgate, closer to the UK’s investment heart, the City of London. An overlap in rent for the new and old premises caused the heightened 2013/14 figure.

5. Meetings and travel: Meeting and travel costs decreased to £273,000 (2013/14: £296,000).

Travel is of primary importance to our Networks staff serving signatories on the ground in their respective regions. It is also critical to our outreach activities, particularly through the Managing Director and Chair who travel around the world to speak to signatories and the wider investment community about the purpose and activities of the PRI.

6. IT and telephones: IT and telephone costs increased to £190,000 (2013/14: £146,000).

IT and telephone costs grew in accordance with increased staff numbers, as well as in building a new public website and signatory collaboration portal.

7. Legal and professional services: The cost of legal and professional services increased to £125,000 (2013/14: £94,000).

These costs include trademark registration, governance, audit and tax advice services. The higher cost in 2014/15 is a result of legal fees relating to the acquisition of the PRI Academy.

8. Staff recruitment: The cost of recruiting staff decreased to £91,000 (2013/14: £160,000).

In 2014/15, the PRI incurred a surplus of £280,000 (2013/14: £35,000). The improved outcome largely results from five items: higher than predicted fee income brought about by a revaluation of AUMs in the Reporting Framework, strong attendance and sponsorship of PRI in Person 2014, new signatories, delays in filling staff vacancies and reduced outsourcing.

Cash increased by £444,000 to £1.8 million at the end of the period.

PRI Enterprises was incorporated in November 2013 as a subsidiary of the PRI Association. It was created to act as a vehicle for any future activity of PRI Association that may be commercial in nature.

It now houses the PRI Academy, which the PRI acquired in September 2014. Since acquisition the PRI Academy has recruited a Head of Online Learning and been focused on further building the team and transitioning the online learning modules and platforms to the PRI.

The PRI’s ambition for the PRI Academy’s funds is to plough back any surplus income into further course development.

PRI Association has now established a track record raising grant money and collecting donations in its own name.

ASSOCIATED ENTITIES

STICHTING RI

Stichting RI was established in 2012 as an independent not-for-profit Dutch-registered charitable foundation. It was dissolved in April 2015 as part of moves to simplify the PRI’s governance structure.

Stichting RI’s primary purpose was to attract grants from foundations or other organisations that support only charitable-status organisations. Since 2012, SRI’s fundraising activities have increasingly been assumed by PRI Association, the UK-registered not-for-profit company that hosts the PRI. PRI Association has now established a track record raising grant money and collecting donations in its own name.

At the date of its dissolution, its minimal remaining funds were transferred to the Foundation for the Global Compact.
PRI ASSOCIATION

DIRECTORS’ REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Following the PRI’s governance review, a new Board of Directors for PRI Association was constituted on 1 April 2015. Three directors of the previous PRI Board resigned on 31 March 2015 and seven new Directors were appointed on 1 April 2015. This report and the consolidated statements cover the period of the previous Board.

DIRECTORS

D Atkin
P Mathur
M Skancke
G Aiyer (appointed 1 April 2015)
M Barros (appointed 1 April 2015)
M Chaloner (appointed 1 April 2015)
C Melvin (appointed 1 April 2015)
R Mokate (appointed 1 April 2015)
N Petersen (appointed 1 April 2015)
L Ribeiro (appointed 1 April 2015)
D Simard (appointed 1 April 2015)
P Webster (appointed 1 April 2015)
P Webster (appointed 1 April 2015)
E Wetlaufer (appointed 1 April 2015)

SECRETARY
Bristows Secretarial Limited

COMPANY NUMBER
07207947 (England and Wales)

REGISTERED OFFICE
5th Floor
25 Camperdown Street
London
E1 6DZ

INDEPENDENT AUDITOR
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

DIRECTORS’ REPORT

The directors present their report and the consolidated financial statements of PRI Association and its subsidiary, together referred to as ‘the group’ for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the group and the company in the year under review continued to be that of a network of international investors working together to put the Principles for Responsible Investment into practice. The company is not for profit.

DIRECTORS

The directors who served during the year were:

- P Mathur
- D Atkin
- M Skancke
- G Saunders (resigned 30 September 2014)
- C Ailman (resigned 31 March 2015)
- D Russell (resigned 31 March 2015)
- E Bos (resigned 31 March 2015)

DIRECTORS’ RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors’ report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors’ reports may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors’ report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group’s auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group’s auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 July 2015 and signed on its behalf.

M Skancke
Chair

DIRECTORS’ REPORT

Following the PRI’s governance review, a new Board of Directors for PRI Association was constituted on 1 April 2015. Three directors of the previous PRI Board resigned on 31 March 2015 and seven new Directors were appointed on 1 April 2015. This report and the consolidated statements cover the period of the previous Board.
INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF PRI ASSOCIATION

We have audited the financial statements of PRI Association for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

OPINION ON OTHER MATTER
PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

■ have been prepared in accordance with the requirements of the Companies Act 2006.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors’ responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council’s website at www.frc.org.uk/auditscopeukprivate.

OTHER MATTERS

The prior year consolidated figures presented as comparatives included the unaudited balances from the subsidiary.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

■ have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER

In our opinion the information given in the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

■ have been prepared in accordance with the requirements of the Companies Act 2006.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

CONSOLIDATED BALANCE SHEET

The financial statements have been approved and authorised for issue by the board and were signed on its behalf on 27 July 2015.

M Skancke
Chair

INCOME
Administrative expenses
OPERATING SURPLUS
Other interest receivable and similar income
Interest payable and similar charges
SURPLUS ON ORDINARY ACTIVITIES
BEFORE TAXATION
Tax on surplus on ordinary activities
SURPLUS FOR THE FINANCIAL YEAR

FIXED ASSETS
Intangible assets
Tangible assets
CURRENT ASSETS
Debtors
Cash at bank
CREDITORS: amounts falling due within one year
NET CURRENT ASSETS
NET ASSETS
CAPITAL AND RESERVES
Income and expenditure account

Mark Worsley
(Senior Statutory Auditor)
for and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London EC2V 6DL
Date 27 July 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2015.
COMPANY BALANCE SHEET

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2014/15 £</th>
<th>2014/15 £</th>
<th>2013/14 £</th>
<th>2013/14 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>9</td>
<td>177,983</td>
<td></td>
<td>204,282</td>
</tr>
<tr>
<td>Investments</td>
<td>10</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>12</td>
<td>455,976</td>
<td>250,950</td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>1,799,169</td>
<td>1,590,277</td>
<td></td>
</tr>
<tr>
<td>CREDITORS: amounts falling due within one year</td>
<td>13</td>
<td>2,255,145</td>
<td>1,841,227</td>
<td></td>
</tr>
<tr>
<td>NET CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITAL AND RESERVES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>14</td>
<td>1,907,907</td>
<td>1,563,570</td>
<td></td>
</tr>
</tbody>
</table>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of PRI Association and all of its subsidiary undertakings (‘subsidiaries’).

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

The surplus for the year dealt with in the accounts of the company was £34,433 (2014 - £38,857).

The financial statements present information about the company as both an individual undertaking and its group.

The company is a parent company subject to the small companies regime. The company and its subsidiary comprise a small group. The company is therefore not required to, however has chosen to, prepare group financial statements.

1.4 INCOME

Income represents annual subscriptions paid by members, events income, voluntary donations and grants. Subscriptions are recognised on joining the Association or on subsequent renewal dates, on an accruals basis. Events income is recognised as the event occurs. Donations are recognised on a receipts basis. Reimbursement grants are recognised in line with relevant expenses on an accruals basis.

1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual value, over their expected useful lives of 4 years.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvement costs - 20% straight line
Fixtures and fittings - 20% straight line
Office equipment - computers - 33.33% straight line
Office equipment - other - 20% straight line

1.7 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2015.

M Skancke
Chair
## Notes to the Financial Statements

### 2 Income
84.0% of the company’s income (2014 - 84.2%) is attributable to geographical markets outside the United Kingdom.

### 3 Operating Surplus

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of tangible assets owned by the company</td>
<td>45,315</td>
<td>14,626</td>
</tr>
<tr>
<td>Pension costs</td>
<td>107,210</td>
<td>79,329</td>
</tr>
<tr>
<td>Amortisation of intellectual property rights</td>
<td>5,282</td>
<td>-</td>
</tr>
</tbody>
</table>

### 4 Auditors’ Remuneration
Fees payable to the group’s auditor and its associates for the audit of the group’s annual accounts

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,500</td>
<td>12,500</td>
</tr>
</tbody>
</table>

### 5 Directors’ Remuneration
Aggregate remuneration

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>89,719</td>
<td>62,000</td>
</tr>
</tbody>
</table>

Of the 7 directors over the year, remuneration was paid to 2 directors who acted as Board Chair (2014 - 2 directors).

### 6 Interest Receivable
Other interest receivable

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18,961</td>
<td>5,153</td>
</tr>
</tbody>
</table>

### 7 Taxation
UK corporation tax charge on surplus for the year

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,756</td>
<td>1,031</td>
</tr>
</tbody>
</table>

### 8 Intangible Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td><strong>GROUP COST</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>39,006</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>AMORTISATION</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td>5,282</td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>NET BOOK VALUE</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>33,724</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td></td>
</tr>
</tbody>
</table>

### 9 Tangible Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td><strong>GROUP AND COMPANY COST</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>136,461</td>
</tr>
<tr>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>DEPRECIATION</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>NET BOOK VALUE</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td></td>
</tr>
</tbody>
</table>

### Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP COST</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>39,006</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
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<td>5,282</td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>NET BOOK VALUE</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>33,724</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td></td>
</tr>
</tbody>
</table>

### Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>136,461</td>
</tr>
<tr>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>DEPRECIATION</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2014</td>
<td></td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td><strong>NET BOOK VALUE</strong></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td></td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

10 FIXED ASSETS INVESTMENTS

PRI Enterprises Ltd was incorporated on 5 November 2013 and was dormant in the period from incorporation to 31 March 2014. The subsidiary commenced trading in the year ended 31 March 2015.

<table>
<thead>
<tr>
<th>COST OR VALUATION</th>
<th>At 1 April 2014 and 31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET BOOK VALUE</td>
<td>At 31 March 2015</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTMENTS IN SUBSIDIARY COMPANIES</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

11 PRINCIPAL SUBSIDIARIES

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>PERCENTAGE SHAREHOLDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRI Enterprises Limited</td>
<td>100 %</td>
</tr>
</tbody>
</table>

12 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014/15</td>
<td>2013/14</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>71,185</td>
<td>50,040</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>326,130</td>
<td>200,910</td>
</tr>
<tr>
<td>Other debtors</td>
<td>397,315</td>
<td>250,950</td>
</tr>
</tbody>
</table>

13 CREDITORS:

<table>
<thead>
<tr>
<th>AMOUNTS FALLING DUE WITHIN ONE YEAR</th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>83,073</td>
<td>106,405</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>1,756</td>
<td>1,031</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>70,611</td>
<td>33,295</td>
</tr>
<tr>
<td>Other creditors</td>
<td>426,175</td>
<td>341,209</td>
</tr>
<tr>
<td></td>
<td>582,155</td>
<td>481,940</td>
</tr>
</tbody>
</table>

14 RESERVES

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2014</td>
<td>1,563,570</td>
<td>1,563,570</td>
</tr>
<tr>
<td>Surplus for the financial year</td>
<td>297,622</td>
<td>344,337</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>1,861,192</td>
<td>1,907,907</td>
</tr>
</tbody>
</table>

15 PENSION COMMITMENTS

PRI Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £107,211 (2014 - £79,329). Contributions totalling £10,812 (2014 - £103) were payable to the pension fund at the balance sheet date and are included in creditors.

16 OPERATING LEASE COMMITMENTS

At 31 March 2015 the group had annual commitments under non cancellable operating leases as follows:

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014/15</td>
<td>2013/14</td>
</tr>
<tr>
<td>128,006</td>
<td>188,006</td>
<td>188,006</td>
</tr>
</tbody>
</table>

17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 16.2 of the FRSSE and has not disclosed transactions with wholly owned members of the group headed by the company. There were no other related party transactions.

18 CONTROLLING PARTY

In the opinion of the directors, there was no ultimate controlling party during the years ended 31 March 2014 and 2015.

19 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have any share capital. The liability of the members in the event of the company being liquidated is limited to £1 per member.
SUSTAINABILITY

The PRI recognises that its activities have environmental, social and governance impacts on many levels.

Most of the PRI’s impact is positive and happens indirectly via the work that we do to help our 1400+ 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 our operating activities can have a negative direct impact, and we try to minimise these wherever possible.

ENVIRONMENTAL

The PRI has been certified 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.

Efforts to ensure our flagship PRI in Person conference is as sustainable as possible include: using ISO-certified venues, publishing a waste report after the event, making the event paper-free, using sustainable materials, offering carbon credits to offset delegates’ transport, using local suppliers, serving only vegetarian food and using no disposable plates, cups or bottles.

SOCIAL

The PRI works with the Brokerage Citylink charity to open up career opportunities within financial services for young people from a range of backgrounds across London. We have donated no longer needed computer supplies to charities that can use them, and support individual employees’ charitable efforts, including funding supplies for the annual J.P. Morgan Chase Corporate Challenge.

We aim to source goods and services from independent, neighbourhood suppliers whenever possible. For more detail on how the PRI meets its social responsibilities towards its own employees, see page 35.

GOVERNANCE

The PRI has recently completed a comprehensive, independent governance review, including extensive signatory consultation, to ensure a simple, transparent and accountable governance structure. For more on the PRI’s work to deliver and support an effective governance structure, see pages 36–39.

Beyond the governance structure, good governance practice at the PRI includes: annual signatory elections, term length limits for Board Directors, publishing Board attendance/compensation records and maintaining a clear separation between the roles of Managing Director and Board Chair.

The PRI has also introduced a board diversity policy in the belief that diversity contributes to a high-performing organisation.

STRENGTHENING THE WORK PROGRAMME

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The PRI has also introduced a board diversity policy in the belief that diversity contributes to a high-performing organisation.
The PRI is pleased to welcome the following investors and service providers who joined the Initiative between July 2014 and June 2015:

AFRICA
- Alternative Prosperity (Pty) Ltd
- CBO Investment Management
- Mazi Capital
- MUSTARD CAPITAL PARTNERS LIMITED
- Munomala Asset Managers
- Standards & Legal
- Sukha & Associates
- Visio Capital Management

ASIA
- ACA Innovative Investment Management Inc.
- AF Capital
- Cassia Investments
- Corinica Capital
- Eqips Fonds Group
- Golden Rock Capital
- Greenwood Financial Holdings Group
- J-STAR Co., Ltd.
- Mira Asset Global Investments (HK)
- Msaki Capital Inc.
- MSS&AD Insurance Group Holdings, Inc.
- MU Investments Co. Ltd.
- Neural Inc.

EUROPE
- 50 North Real Estate Partners LLP
- ACG Capital
- ACOPI Gestion
- APM Capital Oy
- Aspi Partners LLP
- Araboquis Asset Management Ltd.
- aureas AG
- Argos Investment Managers S.A.
- Artemis Investment Management
- ARK Equity Partners
- Bank Julius Baer & Co. Ltd.
- Barkhaus Schleifhammer & Schattura KAG
- Baring Private Equity Partners España
- Barmeria Versicherungen
- Baselbaufonds KantiniBank
- Benicis Capital Partners
- BlackFin Capital Partners
- Blue Harvest SA
- Capvis Equity Partners
- Carnegie Fonder AB
- Casht Capital S.a.r.l.
- CDIC International Capital
- Charles Stanley PLC
- City of London Investment Group PLC
- Coûler Capital
- Comic Relief
- Corday
- Crescit Asset Management AB
- Delta Alternative Management
- Ecofact
- Edinburgh Partners Limited
- EDF
- Eiffel Investment Group
- Eleva Capital LLP
- EnterCap Capital Partners
- Engagement International
- Entrepots Asset Management
- Epixus Oy
- EQUS Capital Partners, LLC
- ERES GESTION
- Euro Private Equity
- European Capital Debt Management Limited
- FAME Investments
- FEIR AG
- Filaires Partners LLP
- First Private Investment Management KAG mbH
- Fisch Asset Management AG
- FourWinds Capital Management
- GAMI (UK) Limited
- Genera Capital S.A.
- GHG Capital
- GLG Partners LP
- Goedkyssels Capital GmbH
- Guardian Media Group
- BIS Capital Management B.V.
- Incus Capital
- Investor LS
- Invinit SGR
- KEPPLER-FONDS KAG
- Landächter County Pension Fund
- Lane Clark & Pavrick LLP
- Lazard Frères Gestion
- Life Sciences Partners (LSP)
- Lodigee Investments
- Lopus alpha Asset Management AG
- Lyxor Asset Management
- ManFirst Holding AG
- Milestone Investors
- Montpensier Finance
- NAI Italy
- Navigera AB
- Nomina Lile & Pensions
- Northern Horizon Capital A/S
- Ohman
- OPH
- OQ Capital LP
- Ownership Capital
- Pareto Forvaldning AS
- Paul Hamlyn Foundation
- Pegaso - Fondo pensione complementare
- Procuritas Capital Investors
- Prometea Advisor Sim
- RAISE
- Real Estate Asset & Assurance Service s.p.a.
- Realiza Capital S.G.E.I.C., S.A.
- Redington
- Response Asset Management Limited
- Rhin Asset Management (Lux) S.A.
- Sustainable Value Investors
- Swen Capital Partners
- Teilin Capital Management
- Tahisa Investment Management
- Trium Investment Management LLP
- Trustee Finance
- University of St. Andrews
- Valls Capital Partners
- Varianhallinta Tresor Oy
- Veitas Investment GmbH
- Ysis Capital

LATIN AMERICA
- Alfero Servicios de Inversiones S.A.
- BSG Capital
- Pacific Agri Capital
- SustentisRisk Consultoria
- UFG Asset Management

MIDDLE EAST
- Mabia Investment
- SDS INT Group (Sustainable Development Strategy International Group)
- SEDCO Capital
- Sustainability Excellence Management Consulting Ltd.
- T.W.M Capital Healthcare Partners

NORTH AMERICA
- J&J Capital
- Abbott Capital
- A.W. Financial Services, Inc.
- ALGER
- Avantial Capital Management, LLC
- Bank of America Global Wealth and Investment Management
- Bonnefield Financial
- Brightwood Capital Advisors, LLC
- Canadian Union of Public Employees’ Employee Pension Plan (CEPP)
- Colleges of Applied Arts & Technology Pension Plan CAAT
- Columbia Management Investment Advisers, LLC
- Connor, Clark & Linn
- Dalton, Grover, Hartman, Maher & Co., LLC (DGMM)
- DGI Investors
- Eagle Trading Systems Inc.
- Eaton Vance Management
- EquityCompass Strategies
- First Trust Advisors LP
- GCM Customized Fund Investment Group, L.P.
- Genstar Capital
- Genus Capital Management
- Global Initiative for Sustainability Ratings
- Green City Capital Management, Inc.
- Hartford Funds Management Company, LLC
- Hudson Clean Energy Partners
- Institutional Shareholder Services (ISS)
- Jamestown LP
- Jantzi Management LLC
- JariJulyWright, Fraser Limited
- KERIN Partners Ltd.
- Lazard Asset Management LLC
- Le Mouvement d’éducation et de la qualité des actionnaires (MEDAC)
- Lensop
- Longfellow Investment Management Co.
- Loomis, Sayles & Company, L.P.
- Mackenzie Investments
- Magni Global Asset Management
- NCH Capital Inc.
- NEPC, LLC
- Neumeier Poma Investment Counsel, LLC
- NorthernStar Asset Management, Inc.
- Oak Hill Capital Partners
- Oak Hill Capital Partners
- Oak Street Capital
- Peoples Company
- PowBridge Investments
- Prudential Fixed Income
- Public Sector Pension Investment Board
- Responsible Investment Association Canada
- Schaefer Cullen Capital Management
- Simon Fraser University

OCEANIA
- Infrastructure Capital Group
- Li Capital Pty Ltd
- Novion Property Group
- OBE Insurance Group Limited
- Salt Funds Management
- WaveStone Capital
- Wingate Asset Management

NEW SIGNATORIES

220 NEW SIGNATORIES

AFRICA
- 6

ASIA
- 13

EUROPE
- 110

LATIN AMERICA
- 17

MIDDLE EAST
- 5

NORTH AMERICA
- 71

OCEANIA
- 7

NEW JOINERS BY SIGNATORY CATEGORY

INVESTMENT MANAGERS
- 162

SERVICE PROVIDERS
- 34

ASSET OWNERS
- 24
DELISTED SIGNATORIES

Signatories are delisted if they do not pay the fee or participate in the reporting and assessment process, or if they choose to leave.

* Denotes a signatory that has been delisted due to merger with or acquisition by another signatory, or where the parent organisation has subsequently signed up to the Principles.

** Denotes a signatory that has been delisted in July 2015 for failure to report in the previous reporting cycle.

- 3P FINANZ AG
- ABD Investment Management LLP
- AccessAlpha Worldwide LLC
- Aditas Consultoria Financeira
- Alpaca Consulting Limited
- Alpna Finance*
- ALNIA Investment Managers
- Alternative Investment Capital Limited
- Altshare Securities, LLC.
- AGAL Capital
- Ark Investment Advisors Inc.
- Athanasos Niforos
- Austin Rating
- AWU Capital Partners LLC
- Banco Espirito Santo
- Bocap Investment Ltd
- Bond Street Management LLC
- Cadwyn Point Partners
- Calland Consulting Limited
- CamGestion*
- CAMRADATA Analytical Services
- Caser Pensiones Entidad Gestora de Pensiones, S.A.**
- Center for Good Corporate Governance (CGCG)
- Cota Limited
- Climate Change Capital
- CPh Capital Fondsmagerverwaltung A/S*
- Craton Capital Limited
- Danske Invest (Investeringsoverenskomstenes Danske Invest Select)*
- DISCiplined Growth Investors
- DSLM Investa Asset Management
- Dowce CSP
- EarthRate
- EIM-Luxembourg S.A
- Ells GP - Strategic Sustainability Consulting
- EQM Partners analise de investimentos
- Equator, LLC
- Evangélica Debrahgenosschaft e.V.*
- Evergreen Investimentos Gestão de Recursos Ltda.
- Financière de la Cité
- Forest Carbon Group AG
- Freynet Investments Limited
- GAFA Capital Partners
- Global Forestry Capital S.A.R.L.
- GMI Ratings*
- Goldman Sachs & J.B.Were Superannuation Fund
- Good Bankers Co., Ltd.
- GreenStream Network plc
- Ignis Asset Management
- Illinois State Board of Investments
- IPC Asset Management
- Infinitas Asset Management Ltd
- Insed Investimentos Ltda
- Inspired Evolution Investment Management
- Ironbridge Capital
- ISP
- JCM Capital
- JPM Portfolio Intelligence
- KKR Credit Advisors (Ireland)*
- Legacy Africa Fund Managers
- Legg Mason Asset Management Australia Limited*
- London Borough of Haringey Pensions Committee
- Macropalatiles SAFI
- Man Group plc*
- Matrix Asset Management Inc.
- MSS Capital
- Natural Assets Institute Ltd
- NH-CA Asset Management Co.
- Northlight Group
- Pan-African Asset Management (Pty) Ltd
- Paprico AG
- Par Equity LLP
- Periscope
- Phillimore
- POINTTARGET
- Portfolio 21 Investments*
- Private Equity Partners SGR S.p.A.
- Relational Investors LLC
- Remagen Capital Limited
- Responsible Assets
- Scipio Capital Limited
- Serenus Advisors Ltd
- Serengeti Capital Partners Ltd.
- Sigma Capital AG
- Soren Capital, LLC
- Sovereign Assurance Limited
- Stichting Beroeps pensioenfonds Loodsen
- Stockland
- Stratus
- Summit Global Management, Inc.**
- The GPT Group
- Totem Investments
- TripleB
- Truist
- Turner Investment Partners
- Universal Health Care Foundation of Connecticut
- University of Dayton Davis Center for Portfolio Management’s Flyer Investments
- Valiance
- Value ESG
- Wescure Solutions AG*
- Wealth Management Partners NV
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 issues and to support signatories in integrating these issues into investment and ownership decisions.

The six Principles were developed by investors and are supported by the UN. They are voluntary and aspirational, offering a menu of possible actions for incorporating ESG issues into investment practices. In implementing the Principles, signatories contribute to developing a more sustainable global financial system.

More information: 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

UN Global Compact

Launched in 2000, the United Nations Global Compact is both a policy platform and practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyse actions in support of broader UN goals. With 7,000 corporate signatories in 135 countries, it is the world's largest voluntary corporate sustainability initiative.

More information: www.unglobalcompact.org