2019 Signatory General Meeting

Tuesday 10 September

#PRIinPerson
Signatory General Meeting

Agenda

- 09:00 – 09:15 **Welcome address and PRI Board report** (Martin Skancke, Chair, PRI Board)
- 09:15 – 09:45 **Management and financial report** (Fiona Reynolds, CEO, PRI)
- 09:45 – 10:15 **Q&A** (Martin Skancke, Chair, PRI Board & Fiona Reynolds, CEO, PRI)
- 10:15 – 10:30 **Board director elections** (Martin Skancke, Chair, PRI Board)
- 10:30 – 11:00 **PRI Awards presentation** (Hannah Vaughan-Jones, Conference MC)
PRI Board report

Martin Skancke, Chair
PRI Board

Chair

Martin Skancke
Independent
Term limit: 2020

Directors elected by asset owners

Angela Emslie
HESTA (Australia)
Term limit: 2021

Eva Halvarsson
AP2 (Sweden)
Term limit: 2019

Hiromichi Mizuno
GPIF (Japan)
Term limit: 2019

Renosi Mokate
GEPF (South Africa)
Term limit: 2020

Laetitia Tankwe
Ircantec (France)
Term limit: 2021

Sharon Hendricks
CalSTRS (USA)
Term limit: 2021

Xander den Uyl
ABP (Netherlands)
Term limit: 2021

Directors elected by non asset owners

Wendy Cromwell
Wellington (USA)
Term limit: 2021

Tycho Sneyers
LGT (Switzerland)
Term limit: 2020

Peter Webster
Vigeo Eiris (France)
Term limit: 2019

Permanent UN advisors

Lise Kingo
UN Global Compact

Eric Usher
UNEP FI
Management and financial report

Fiona Reynolds, CEO
Enhance our global footprint

Signatory overview 2018/19

PRI signatories worldwide

433 new signatories including 69 asset owners

22% net signatory growth

Enhanced local presence:
- Four new regional directors
- Three new markets: Latin America, Southern Europe & Switzerland
Develop our staff

Staff gender ratio: 59:41 (F:M)

128 global staff
40 new staff in 4 countries
Financial statements
Financing the next phase of responsible investment

Between 1 April 2018 and 31 March 2019:

- Total **income** grew to **£13.2 million**
  (up from **£10.4 million** in 2017/18)

- Total **expenditure** grew to **£12.5 million**
  (excluding PRI in Person—up from **£10.2 million** in 2017/18)

- Achieved a **surplus** of **£554,140**
  (After interest receivable, depreciation and tax—up from **£193,185** for 2017/18)
Corporate structure

PRI Association
Company limited by guarantee
Registered 2010

PRI Enterprises Ltd
Registered 2013

PRI US, Inc. C
corporation, incorporated
in Delaware 2015.

PRI Association
(Hong Kong) Ltd
Registered 2015

PRI Association
France SARL
Registered 2018

Canadian branch
2018

Representative office
Beijing 2019
Blueprint for responsible investment

Over the next 10 years, the PRI will focus on the following areas of impact:

**RESPONSIBLE INVESTORS**
- Empower asset owners
- Support investors incorporating ESG issues
- Foster a community of active owners
- Showcase leadership and increase accountability
- Convene and educate responsible investors

**SUSTAINABLE MARKETS**
- Challenge barriers to a sustainable financial system
- Drive meaningful data throughout markets

**A PROSPEROUS WORLD FOR ALL**
- Champion climate action
- Enable real-world impact aligned with the SDGs
## Flagship projects

- European Technical Expert Group on Sustainable Finance – Taxonomy
- The Inevitable Policy Response: Act Now
- Financial Sector Commission on Modern Slavery and Human Trafficking
- Manager Selection Appointment and Monitoring
- PRI’s Normative Position on Human Rights
- ESG in Credit Risk and Ratings
- Climate Action 100+
- SDGs flagship project
Diverse range of tools and guidance for investors

**ENVIRONMENTAL**
- Implementing TCFD recommendations for oil and gas methane disclosure
- The Amazon: a critical climate tipping point

**SOCIAL**
- Human rights and the extractives industry
- Climate change and the just transition: a guide for investor action

**GOVERNANCE**
- Evaluating and engaging on corporate tax transparency: an investor guide
- Investor-company dialogue on cyber security: five emerging findings

**RI review tool**
**RI DDQs by asset class**

Guidance and case studies for ESG integration for:

- **CFA Institute**
- **The Americas**
- **APAC**
- **EMEA**

#PRlinPerson
Climate Action 100+

Foster a community of active owners

360+ INVESTORS SIGNED UP

34+ US$ trn ASSETS COMMITTED

160 COMPANIES

80% GLOBAL INDUSTRIAL EMISSIONS
**PRI coordinated engagements**

Foster a community of active owners

- **Corporate climate lobbying**
  - 100% of companies engaged with improved their scores

- **Human rights in extractive industries**
  - 93% of companies engaged with improved their scores

- **PRI-Ceres investor working group on soy and cattle linked deforestation**

Still open to join

Closed in 2018/19
Introducing the new Collaboration Platform
Foster a community of active owners

- More control over invitations to collaborations
- Informal discussion groups around topics of interest
- Newsfeeds
- Follow companies
- More interactive
- Combined with the Academic Network Online, connecting investors and academics

Try out the new Platform at the PRI stand in the exhibition area!
INSERT COLLABORATION PLATFORM VIDEO
The Inevitable Policy Response

Climate change is the highest priority ESG issue facing investors

Forceful policy levers:

- Coal phase-out
- ICE sales bans
- Carbon pricing
- CCS & industry decarbonisation
- Zero-carbon power
- Energy efficiency
- Land use-based greenhouse gas removal
- Agriculture
Task Force on Climate-related Financial Disclosures

Climate change is the highest priority ESG issue facing investors

Number of signatories responding to TCFD based indicator questions on climate change

- Nearly 600 signatories reporting on TCFD based indicators – an increase of over 100 on last year
- Governance and strategy indicators to become mandatory to report – *not disclose* – in 2020
Enable real-world impact aligned with the SDGs

Signatories mentioning the SDGs during their PRI reporting

- 2% in 2016
- 7% in 2017
- 16% in 2018
- 29% in 2019
Global policy engagement programme

Challenge barriers to a sustainable financial system

Clarify that investor duties require ESG integration, and support the EU taxonomy on sustainability activities.

Align investment frameworks with the ecological civilisation plan.

Protect shareholder rights and improve corporate ESG disclosure.
Reporting Framework review

Nearly one quarter of signatories participated in the consultation

- **SURVEY:** 11% OF ALL SIGNATORIES (260)
- **WORKSHOPS:** 17 CITIES (350+)
- **WEBINARS:** ASIA, AMERICAS, SERVICE PROVIDERS & SPANISH LANGUAGE (145)

**Reporting and Assessment Review**

- **Gap analysis & framework evaluation**
- **Creation of robust criteria for indicator inclusion**
- **Review of platforms & systems**
- **Signatory consultation**
Minimum requirements update

Increase accountability

Three requirements:

- Investment policy that includes the firm’s RI approach, covering >50% of AUM
- Internal/external staff responsible for implementing RI policy
- Senior-level commitment and accountability mechanisms for RI implementation

Reported data used to identify signatories not meeting the requirements.

1st MANDATORY REPORTING YEAR

- Signatories informed confidentially and engagement begins.

2nd MANDATORY REPORTING YEAR

- Action plan and any required support deliver by PRI.

3rd MANDATORY REPORTING YEAR

- Progress evaluated (compared to 1st year of reporting).

- Delisting for not meeting minimum requirements. Appeal process begins.

REVIEW OF REQUIREMENTS
2019 Leaders’ Group

Showcase leadership

From a pool of asset owners that received ‘A’ or ‘A+’ for manager selection, appointment and monitoring of managers in listed and/or private equity.

Represents top 10% of PRI asset owners.
Global pay gap between men and women will take 202 years to close

There’s no sector that pays women more

Top 10% of households own 85% of global wealth

Top 1% owns 47% of global wealth

40.3 million men, women and children were victims of modern slavery on any given day

That’s 1 in 185 people

Still a long way to go...
In the US, CEOs made 287 times more money last year than their workers did.

Tax base erosion & profit shifting cost countries $100-240 billion in lost revenue annually.

Corruption is costing the global economy $3.6 trillion dollars every year.

Still a long way to go…
In 2018 + 2.7% increase in global emissions up from 1.7% in 2017

129 million hectares of forest – equivalent to area of S. Africa – were lost between 1990 and 2015

Less than 20% of plastics are recycled globally

2.2 billion people in the world lack safe drinking water

Still a long way to go...
Tailings dam collapse  
Brumadinho, Brazil

The Amazon: a critical climate tipping point
INSERT DAM COLLAPSE VIDEO
We are part of the solution
2019 PRI Board director elections

Martin Skancke, PRI Chair
Asset owner election: two positions

Eva Halvarsson
Chief Executive Officer, AP2 (Sweden)

Rafael Soares Ribeiro de Castro
Executive Manager of Compliance and Internal Control, PREVI (Brazil)

Hiromichi Mizuno
Executive Managing Director and Chief Investment Officer, GPIF (Japan)
Service provider election: one position

Giles Gunesekera
Chief Executive Officer,
Global Impact Initiative
(Australia)

Michael Jantzi
Chief Executive Officer,
Sustainalytics (Netherlands)

Peter Webster
Director of International Affairs,
Vigeo Eiris (France)

Susheela Peres da Costa
Head of Advisory,
Regnan Governance
Research and Engagement
(Australia)
2019 elections and voting

- Meet the candidates at the PRI stand today at 11am
- Candidate videos and statements will be posted on the PRI website
- Asset owner signatories vote for asset owner candidates and service provider signatories vote for service provider candidates
- Voting period: between 30 September and 15 November
- For more information on the elections see: [https://www.unpri.org/pri/pri-governance/board-elections](https://www.unpri.org/pri/pri-governance/board-elections)
Thank you