



2020 Signatory General Meeting

Wednesday 21 October

Keep the conversation going
#PRIDigitalForum

Signatory General Meeting

Agenda

09:00 – 09:10	Welcome address and PRI Board report Martin Skancke, Chair, PRI Board
09:10 – 09:35	Management and financial report Fiona Reynolds, CEO, PRI
09:35 – 10:05	2021 – 2024 strategy consultation Fiona Reynolds, CEO, PRI
10:05 – 10:10	Signatory voting and PRI Board director elections Martin Skancke, Chair, PRI Board
10:10 – 10:30	Q&A Martin Skancke, Chair, PRI Board & Fiona Reynolds, CEO, PRI

Signatory General Meeting

Agenda

18:00 – 18:10	Welcome address and PRI Board report Martin Skancke, Chair, PRI Board
18:10 – 18:35	Management and financial report Fiona Reynolds, CEO, PRI
18:35 – 19:05	2021 – 2024 strategy consultation Fiona Reynolds, CEO, PRI
19:05 – 19:10	Signatory voting and PRI Board director elections Martin Skancke, Chair, PRI Board
19:10 – 19:30	Q&A Martin Skancke, Chair, PRI Board & Fiona Reynolds, CEO, PRI

Welcome address and PRI Board report

Martin Skancke, Chair

PRI Board

The board is composed of **1 independent chair**, **10 directors** and **2 permanent UN advisors**.

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: 2022



Hiromichi Mizuno
Tokyo University (Japan)
Term limit: 2022



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



Michael Jantzi
Sustainalytics (Netherlands)
Term limit: 2022

Permanent UN advisors



Sanda Ojiambo
UN Global Compact



Eric Usher
UNEP FI

2021-24 strategy

- PRI's Blueprint for Responsible Investment guides priorities.
- Responsibility to provide value to the global and diverse signatory base.
- Importance of accountability as well as supporting and recognising best practices.
- The board is seeking your views on the strategy in the formal consultation.



Reporting and accountability

- Significant reform of Reporting & Assessment.
- Considerable signatory involvement in the reform.
- Framework for signatories to learn and benchmark themselves.
- Important tool for signatory and PRI accountability.
- Pilot year in 2021.



COVID-19 resilient organisation

- Board responsibility to ensure to long-term success of the PRI.
- Signatories remain very engaged.
- Evolution in how we work and engage with signatories.
- Digital engagement a key component of bringing the PRI closer to signatories.



Management and financial report

Fiona Reynolds, CEO

Enhance our global footprint

Signatory overview 2019/20

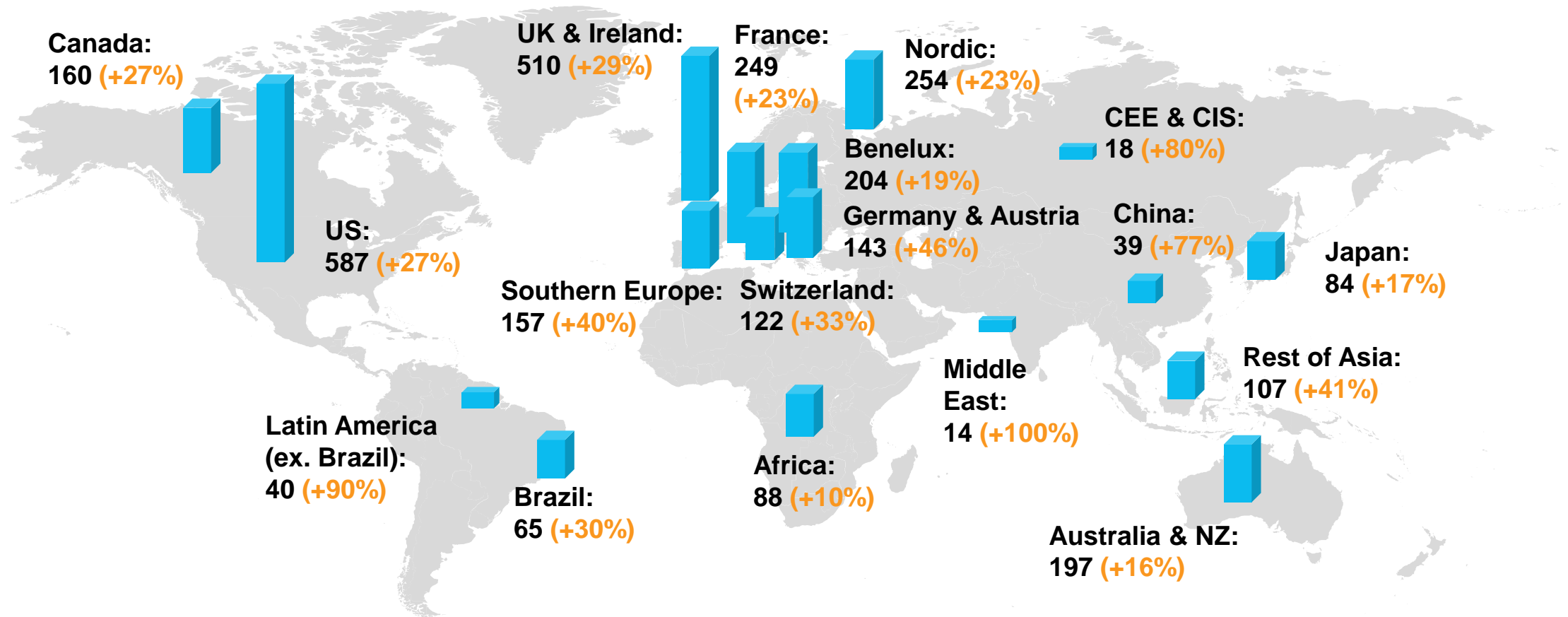
665 new signatories
including **86** asset owners



28%
net signatory
growth

Enhance our global footprint

Signatory overview 2019/20*



PRI in Person

Convening and educating responsible investors



Almost **1,800** delegates drawn from over **830** different organisations and **54** countries gathered in Paris for the world's largest responsible investment conference.



Signatory engagement

Giving a voice to signatories through events, advisory committees, working groups and meetings with Signatory Relationship Managers

This year, the PRI has engaged with signatories in the following ways:

- Signatory Relationship Managers attended more than **850 meetings**
- PRI in Person 2019 welcomed **1408 signatory attendees**, while our regional forums convened **578 signatories**
- **32** advisory committees and working groups, which **529 signatories** participated in
- A variety of other channels, including **practitioner groups, workshops/focus groups, interviews, online discussion groups** and **surveys**



Financial statements

Financing the next phase of responsible investment

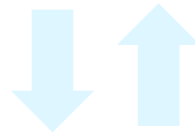
Between 1 April 2019 and 31 March 2020:



Total **income** grew to
£19.7 million
(up from £14.7 million in 2018/19)

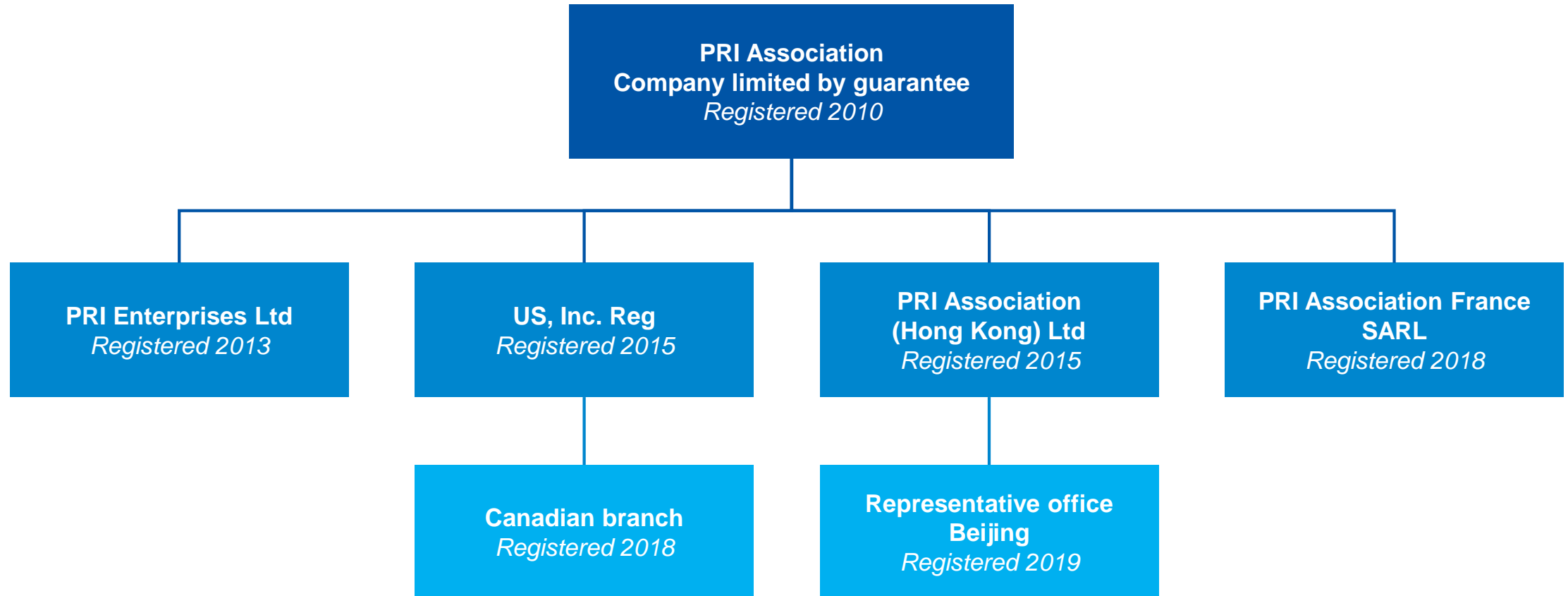


Total **expenditure** grew to
£18.0 million
(up from £14.2 million in 2018/19)



Achieved a **surplus** of **£1.8 million**
(after interest receivable, depreciation and tax - up from £0.5 million for 2018/19)

Corporate structure





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

- **A Legal Framework for Impact**
- **Climate Action (100+, COP26, Inevitable Policy Response)**
- **ESG in Credit Risk and Ratings**
- **European Technical Expert Group on Sustainable Finance – Taxonomy**
- **Human Rights and Modern Slavery**
- **Manager Selection, Appointment and Monitoring**
- **Sustainable Development Goals**

An introduction to responsible investment

A new series of short reports providing an accessible introduction to the main approaches to responsible investment

- What is responsible investment?
- Policy, structure and process
- Listed equity
- Fixed income
- Private equity
- Real estate
- Screening
- Climate change for asset owners

Also planned: engagement, human rights

AN INTRODUCTION TO **RESPONSIBLE INVESTMENT**

unpri.org/intro-to-ri



Incorporating ESG issues

Supporting investors by increasing depth of insight across asset classes; leading awareness and response to existing and emerging ESG issues



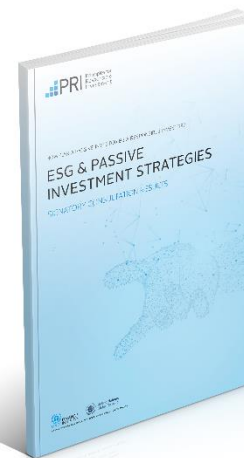
ESG in Credit Risk and Ratings

- Investor-CRA roundtables in mainland China and Latin America
- Takeaways from the EM forums
- Workshop in Paris
- CRA quarterly update



Hedge funds

Technical guide on responsible investment in the hedge fund industry



Passive investment strategies

- How can a passive investor be a responsible investor
- Public consultation summary report
- Series of case studies

Active ownership

Helping signatories to exercise their investor rights; coordinating collaborative engagements; aligning proxy voting practices with responsible investment



- **Active Ownership 2.0**
- **Acting in concert:** UK legal guidance
- **Acting in concert:** South Africa legal guidance



FIVE ENGAGEMENTS CLOSED IN 2019/2020:

- Tax
- Cyber security
- Labour practices in agricultural supply chains
- Methane
- Water risks in agricultural supply chains (part 2)

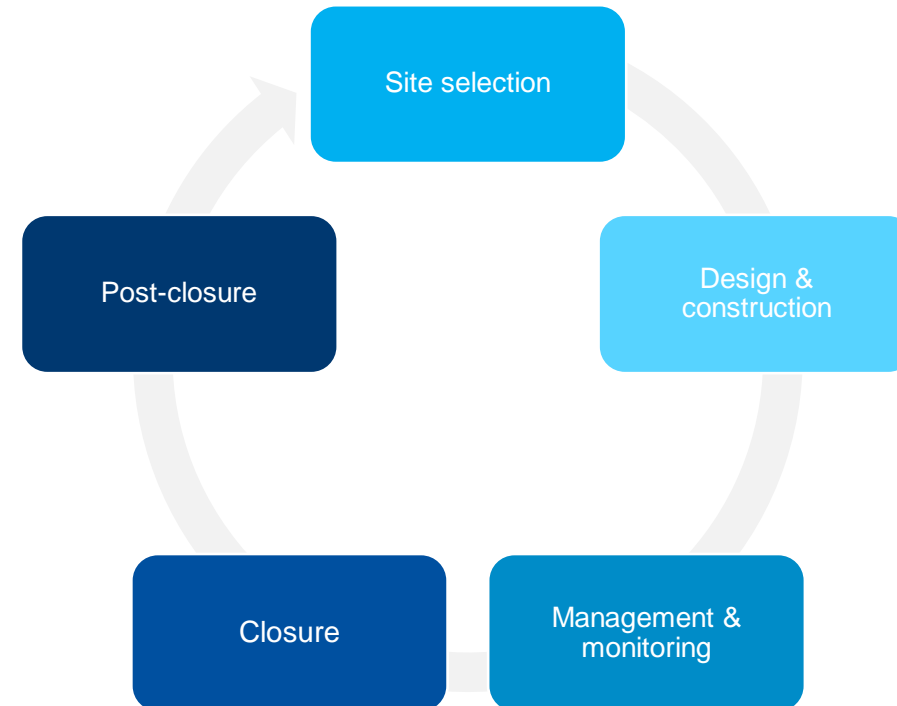


The Global Tailings Review

Creating a global standard on tailings management

The Global Tailings Review has led to the development of a standard on tailings management that can be applied to existing and future tailings facilities globally.

It will strengthen current practices in the mining industry by integrating **social, environmental, local economic** and **technical** considerations into the entire tailings facility lifecycle.



Going forward, we will work with investors to support all mining companies in implementing the standard.

Championing climate action

To champion climate action, we have committed to:



work with our UN partners to meet the Paris Agreement



empower investors to assess how well-positioned their portfolios are for a just transition



encourage investors to make substantial allocations to clean assets and technologies



align the PRI Reporting Framework with TCFD



convene investor engagement with companies on climate risks and opportunities



demonstrate investment implications of national climate change goals



collaborate with policy makers to address barriers to scaling up clean investments

Championing climate action

The PRI's major initiatives seeking to support investors in taking action against climate change



UN-convened Net-Zero Asset Owner Alliance

Making a bold commitment to transitioning portfolios to net-zero GHG emissions by 2050



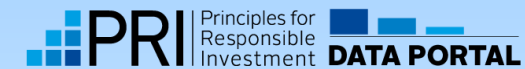
Convened by  **FINANCE INITIATIVE**  **PRI** Principles for Responsible Investment

Task Force on Climate-related Financial Disclosures (TCFD)

Making a sub-set of TCFD-based PRI climate reporting indicators mandatory

2019 (voluntary)

591



2020 (mandatory)

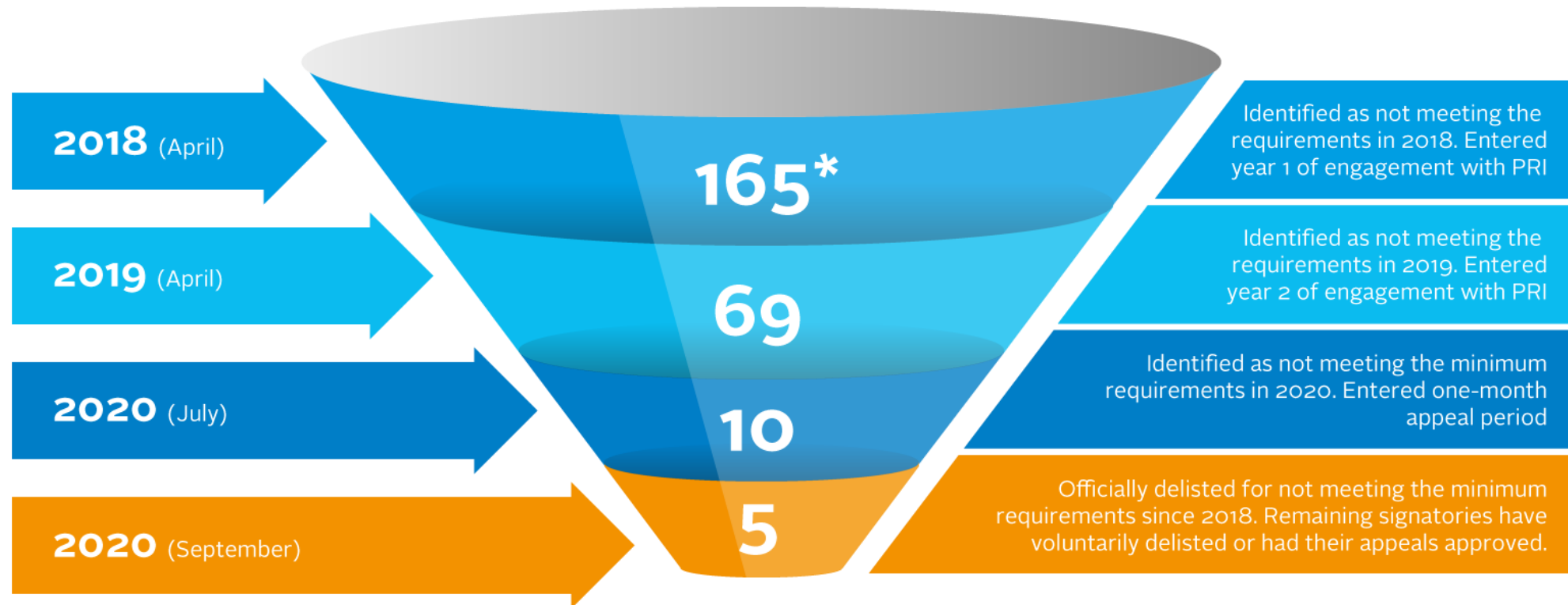
2,097

2,097 investors reporting on TCFD indicators in 2020, representing US\$97 trillion in AUM

A 350% increase in climate TCFD-based reporting

Minimum requirements

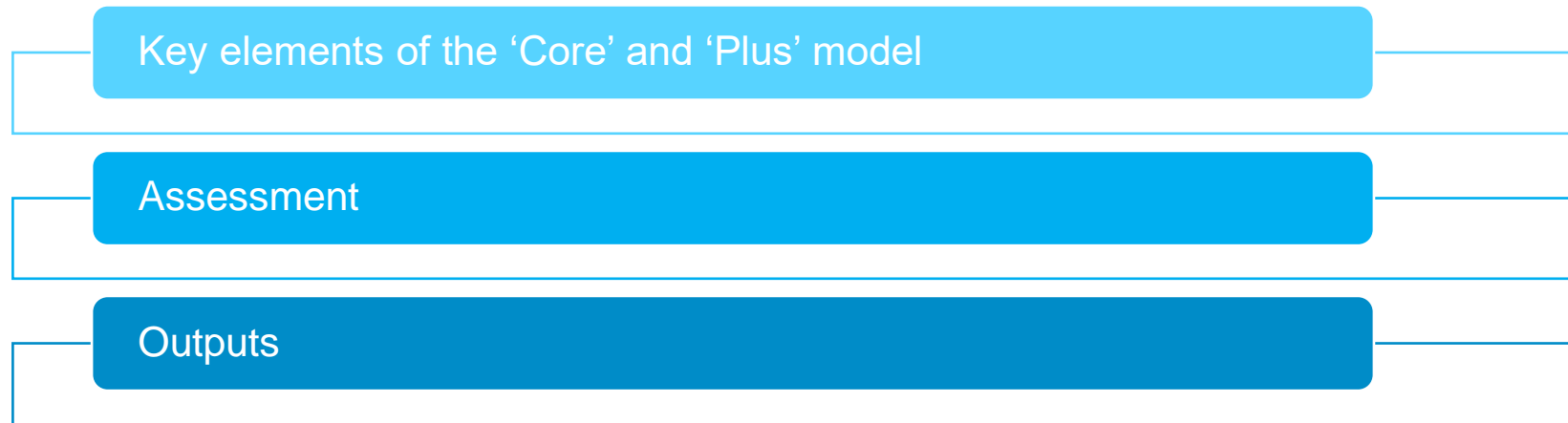
92% of signatories that we engaged with for not meeting the minimum requirements have now achieved the required standard



*Previous figure of 152 disclosed in the 2019 Annual Report excluded delisted signatories at time of publication.

Reporting and Assessment review - second consultation

The proposal of what a new Reporting and Assessment framework could look like



267

respondents
9% of all signatories



The survey included 10 closed questions and 10 optional, open-ended responses

Consultation results are available on the PRI website.

The Leaders' Group

Showcasing signatories at the cutting edge of responsible investment

To be considered for the Leaders' Group 2020, signatories had to demonstrate a strategic approach to aligning their organisation with the FSB's Task Force on Climate-related Financial Disclosures (TCFD).



The 2020 PRI Awards

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

**ESG incorporation
initiative of the year**

**FTSE Developed TPI
Climate Transition Index –
Aligning a global equity
portfolio with the climate
transition**

*FTSE Russell, with support from
Church of England Pensions Board &
Transition Pathway Initiative*

**Real-world impact initiative
of the year**

Green for Growth Fund

Finance in Motion

**Stewardship project
of the year**

**Investor Mining and
Tailings Safety Initiative**

*Church of England Pensions Board,
with support from The Council on
Ethics of the Swedish National Pension
Funds*

**ESG research report
of the year**

**2020 ESG Trends project:
What are the big
challenges for the new
decade?**

MSCI

**Emerging markets
project of the year**

**Agile & Comprehensive
ESG Management System**

Capital Partners



Challenging barriers to a sustainable financial system

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

As part of our Global Policy Engagement Programme, we continue to engage with policy makers around the world, with a focus on the **European Union**, **China**, **US** and **UK**.

We prepared **11 briefings** and submitted **34 consultation responses** last year. These focused on several areas, including:

- the EU Sustainable Finance Taxonomy;
- the US SEC Shareholder Proposal Rule;
- the UK Stewardship Code;
- ESG disclosure in China;
- pension reform in Colombia and New Zealand; and
- European credit rating disclosure requirements.

2021 – 2024 strategy consultation

Fiona Reynolds, CEO, PRI

We've looked at what you've told us brings you value...

Reviewing key requests from the signatory survey



...gone back to our *Blueprint for responsible investment...*



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

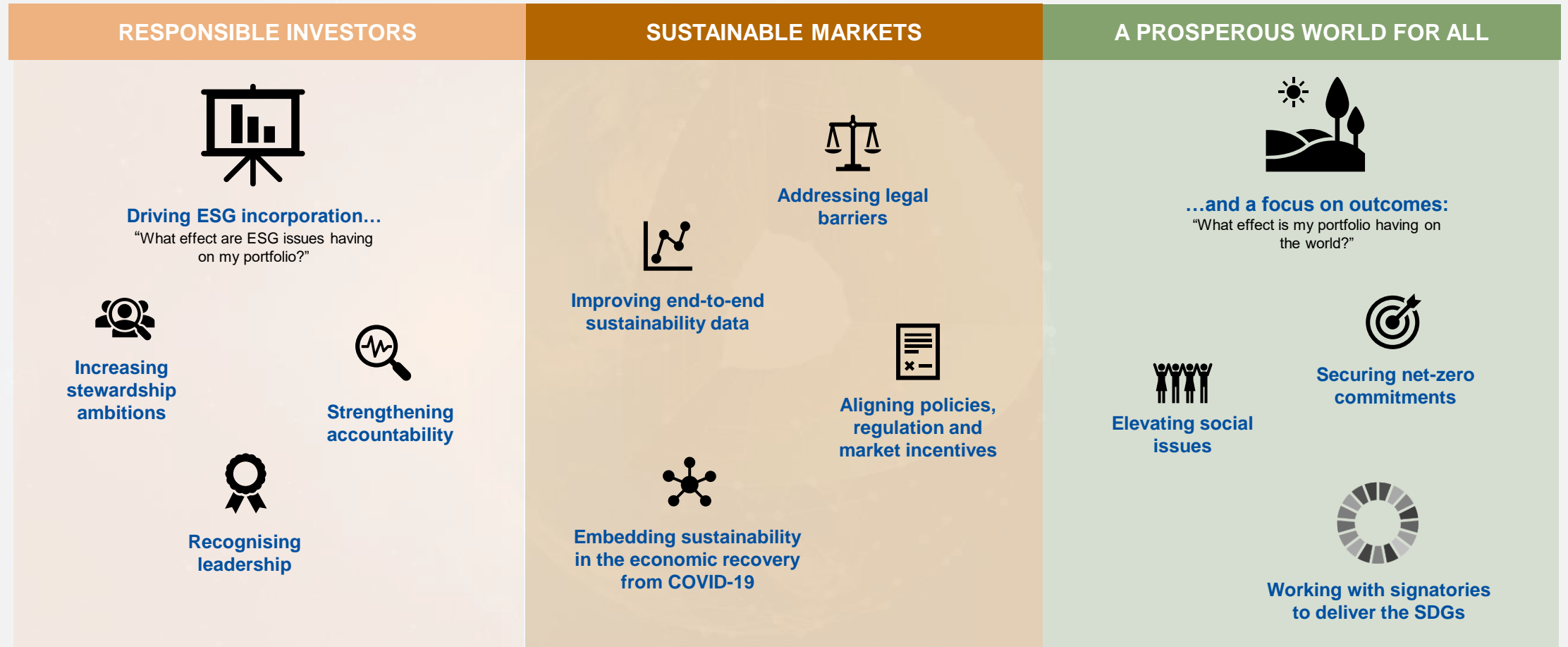
- CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM
- DRIVE MEANINGFUL DATA THROUGHOUT MARKETS

A PROSPEROUS WORLD FOR ALL

- CHAMPION CLIMATE ACTION
- ENABLE REAL-WORLD IMPACT ALIGNED WITH THE SDGs

...selected our priority work areas...

Mapping what you've asked for to our Blueprint for responsible investment



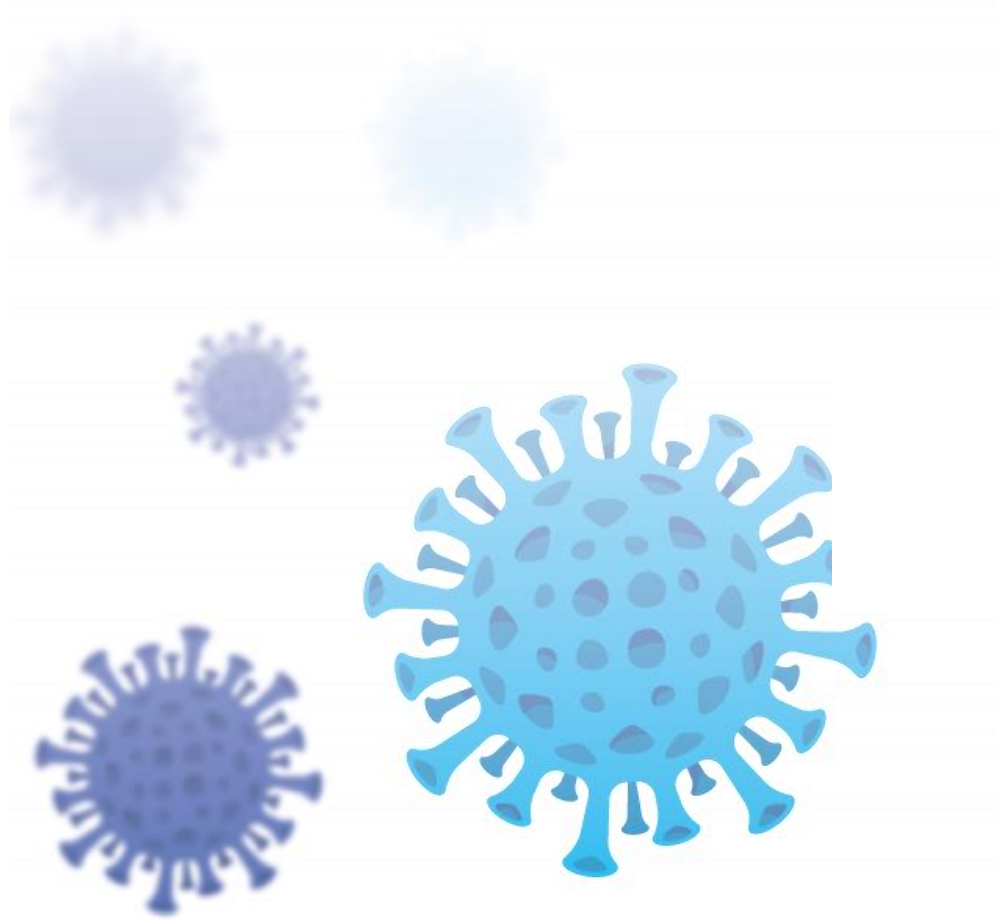
...and identified the ESG issues that we will focus on

Drilling down into which issues we will look at across our work areas



A shift in thinking

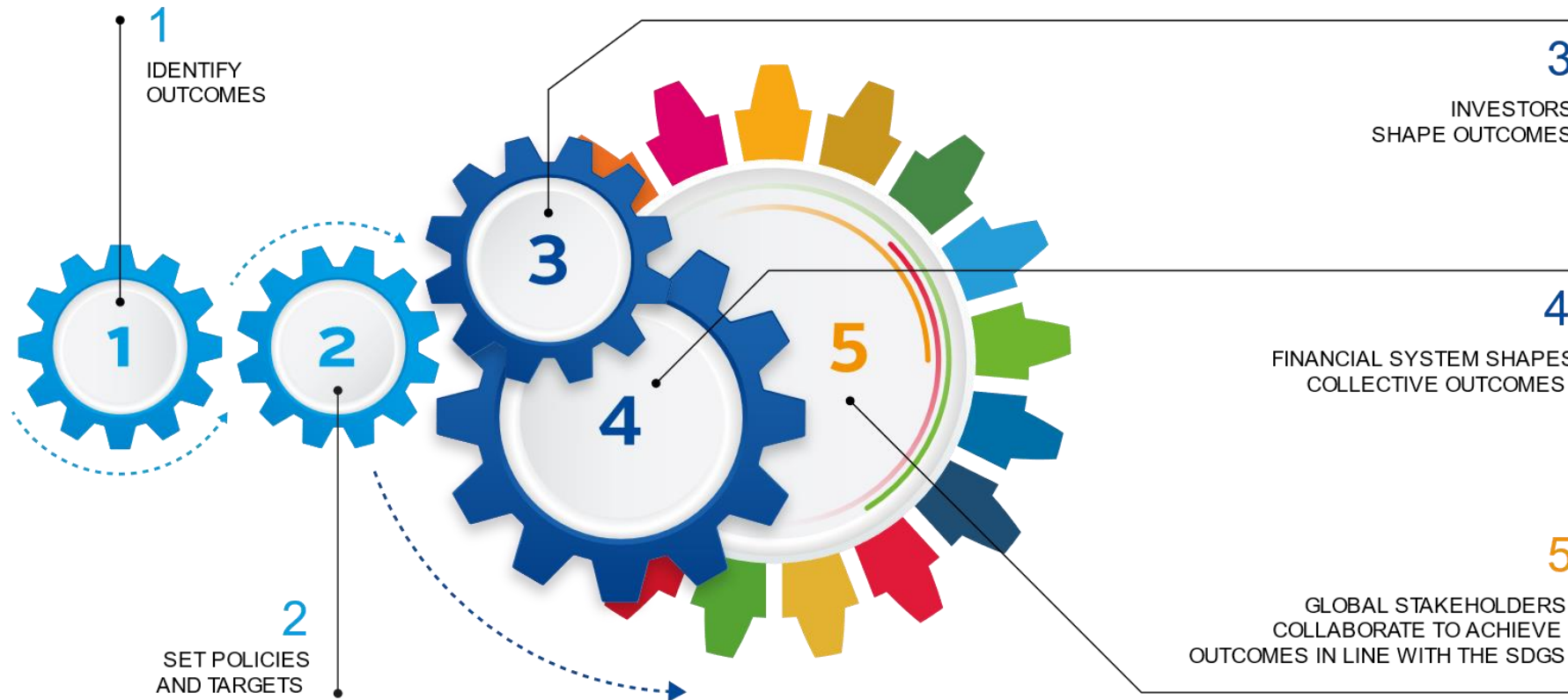
COVID-19 crisis accelerates a shift in thinking; provides an opportunity to build back better



**We are determined to
build back better**

Building back better with the Sustainable Development Goals

A five-part framework for investors: understanding the real-world outcomes of investments, and shaping those in line with the SDGs



Driving meaningful data

Landmark collaboration between PRI and the World Business Council for Sustainable Development



WBCSD AND PRI JOIN FORCES

Elevating social issues

A five-year programme on human rights



Understand



Transform



Respect



Stewardship

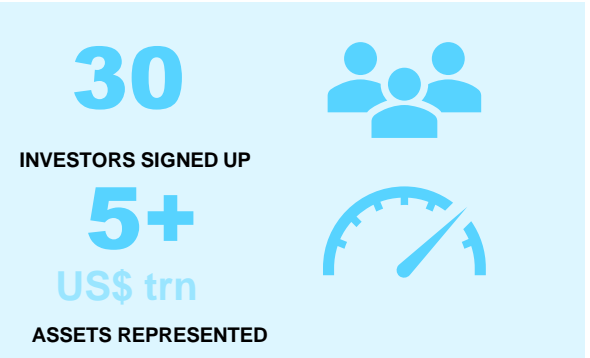
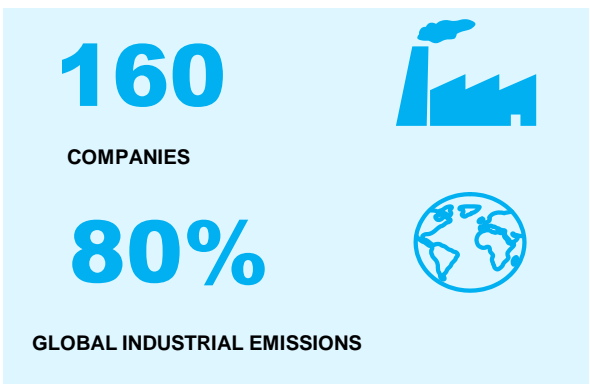
Ushering in a new, more ambitious era of concerted investor action



“Stewardship needs to move beyond box ticking and explicitly prioritise the seeking of outcomes over process and activity, and common goals and effort over narrow interests.”

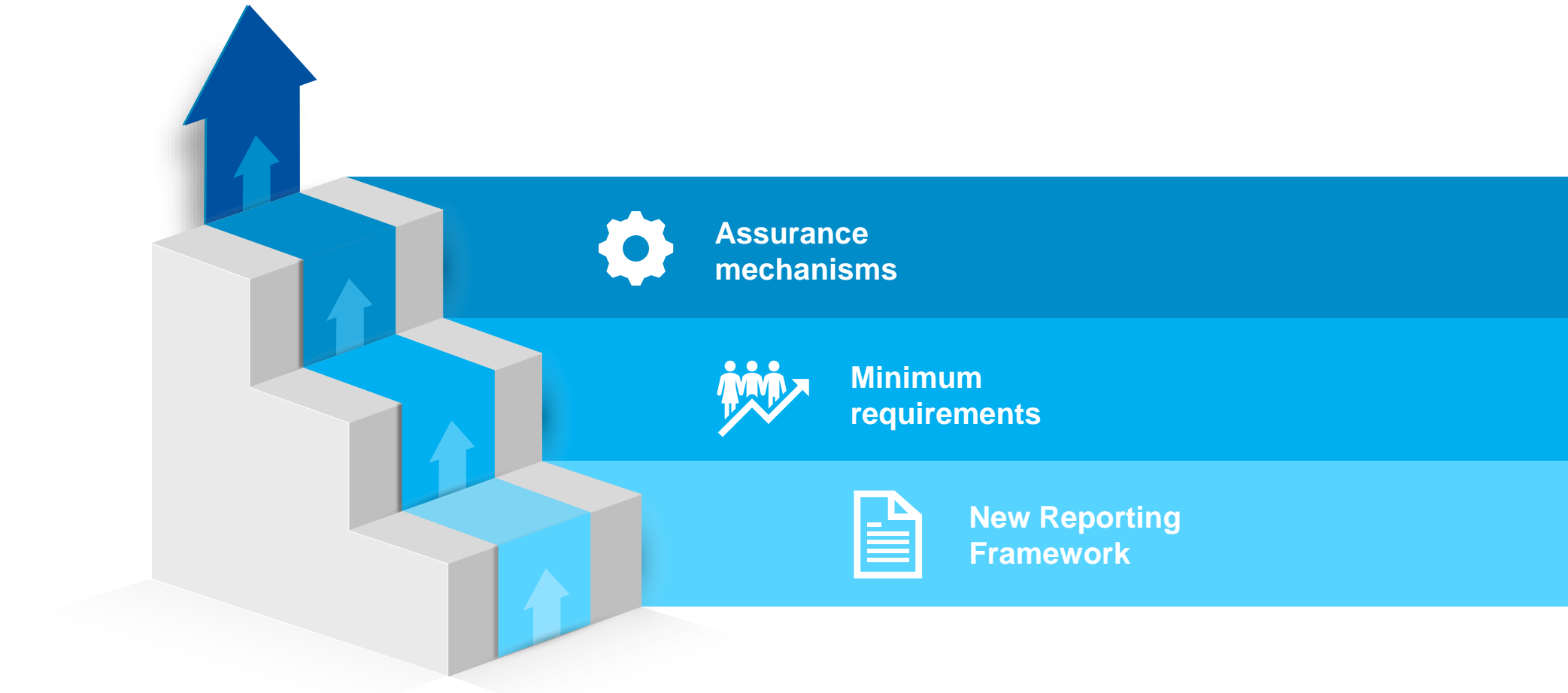
Climate action

Working toward net zero by 2050



How will we hold signatories to account?

Improving reporting, increasing minimum requirements and strengthening assurance



New Reporting Framework

A focus on process and real-world outcomes



Processes

- **How** ESG factors are incorporated
- **How** outcomes are assessed and understood

Outcomes

- **What** these outcomes are

What are our minimum requirements proposals?

Asking for feedback on each proposed change, and on the appropriate timeframe

Existing requirements	Internal or external staff implementing RI	
	Senior level oversight of RI	
	RI policy	Policy setting out overall approach to RI, or formalised guidelines on E,S or G factors
Policy covering >90% of AUM		
Policy publicly available		
Increased requirements	Incorporate ESG in all asset classes in which at least US\$10bn is invested, or that make up 10%+ of AUM	
	Require engagement and voting in listed equity	
	Internal verification of report / C-level sign-off of report / Internal audit of some/all data / Independent audit of some/all data	

Recognising leadership

Signatories will be supported to be purposeful, consistent, transparent, engaged and responsible

To support signatories in developing and demonstrating leadership in responsible investment, we will encourage them to participate in initiatives.
We will grow the number of initiatives we offer, across human rights and the rest of our priority issues.

We will recognise leadership behaviour in:

ESG incorporation and stewardship for risk/return purposes
ESG incorporation and stewardship that shapes sustainability outcomes

Signatories will be encouraged and supported to be:



Purposeful



Consistent



Transparent



Engaged



Responsible

PRI Awards and Leaders' Group

Showcasing leadership and best practices from across the PRI signatory base for everyone to learn from



Leaders' Group

The Leaders' Group evaluates broad organisational practice based on PRI assessment. It showcases signatories at the cutting edge of responsible investment, and highlights trends in what these leading signatories are doing.

In 2021 the theme will be stewardship.



PRI Awards

The PRI Awards recognise individually excellent projects conducted by signatories of all sizes, specialisms and levels of development.

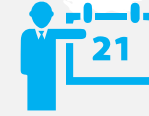
The PRI Awards are a great opportunity for all signatories to learn from each other's successes – all the winning and shortlisted case studies are published on the PRI website.

Our signatory base continues to grow, in size and diversity

Working to better serve signatories, locally and digitally



Providing dedicated local support through PRI staff in 15+ countries around the world



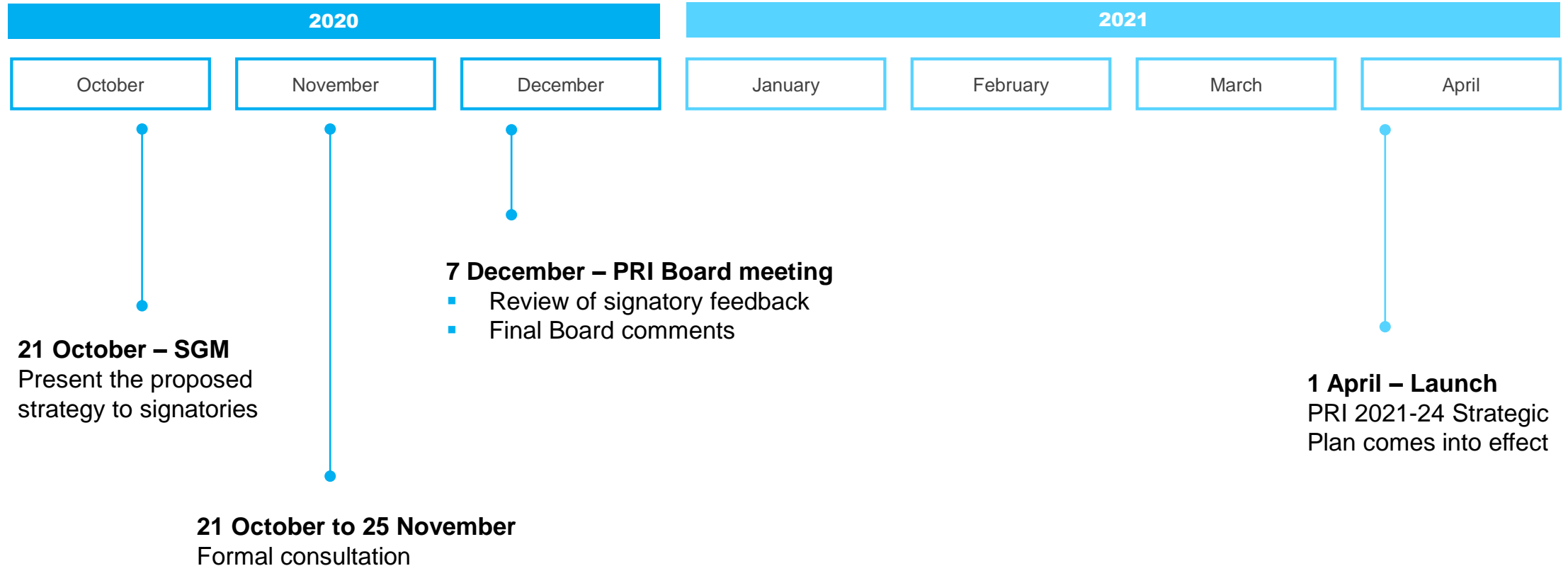
Expanding our range of digital resources and events



... and intending to do so without raising fees*

What happens next?

Inviting feedback from signatories before we finalise our plans



Global investors leading for a sustainable future



2020 PRI Board director elections

Martin Skancke, PRI Chair

Asset owner election: vote for one representative

Five asset owner emerging market candidates are competing for one open position



**Juan Camilo
Osorio Londono**

Chairman of the
Board, Afore
Sura (Mexico)



Kamal Mitha

Head Investments,
Sasria (South
Africa)



Patricia Alejo

Portfolio Manager,
Pontificia
Universidad
Javeriana (Colombia)



Rafael Castro

Executive Manager of
Compliance and Internal
Control, Previ (Brazil)



Renosi Mokate

Chairperson, GEPP
Board of Trustees,
GEPP (South Africa)

Investment manager election: vote for one representative

Seven investment manager candidates are competing for one open position



Alyssa Go

VP of Sustainability, RRG
Capital Management
(United States)



Carola van Lamoen

Head SI Center of
Expertise, Executive
Director, Robeco
(Netherlands)



Jessica Malmfors

CEO, Nordea (Sweden)



Longhai Qian

Chair of Supervisory Board,
First Capital Securities Co.,
Ltd (China)

Investment manager election: vote for one representative

Seven investment manager candidates are competing for one open position



Peter Greenwood

Director of ESG and
Impact, TriLinc Global,
LLC (United States)



Roelfien Kuijpers

Global ESG Client Officer,
DWS Group (Germany)



Tycho Sneyers

Managing Partner, LGT
Capital Partners
(Switzerland)

2020 elections and voting

- Asset owner signatories vote for asset owner candidates and investment manager signatories vote for investment manager candidates
- Voting period: between 21 October to 4 December
- Candidate videos and statements will be posted on the PRI website
- For more information on the elections see: <https://www.unpri.org/pri/pri-governance/board-elections>

Voting item	Asset owners	Investment managers	Service providers
Vote for one asset owner representative in the PRI Board election	✓		
Vote for one investment manager representative in the PRI Board election		✓	
Vote to confirm the appointment of the Chair	✓	✓	✓
Vote to receive the PRI Annual Report and Accounts	✓	✓	✓
Vote to approve the Signatory General Meeting minutes	✓	✓	✓

Q&A

**Thank you and enjoy
the rest of the conference**