

PRINCIPLES FOR RESPONSIBLE INVESTMENT

Annual Report 2021




**EMPOWER
ASSET
OWNERS**

FIND OUT MORE 




**SUPPORT INVESTORS
INCORPORATING
ESG ISSUES**

FIND OUT MORE 




**FOSTER A
COMMUNITY OF
ACTIVE OWNERS**

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**SHOWCASE
LEADERSHIP
AND INCREASE
ACCOUNTABILITY**

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**CONVENE
AND EDUCATE
RESPONSIBLE
INVESTORS**

FIND OUT MORE 



**CHALLENGE
BARRIERS TO A
SUSTAINABLE
FINANCIAL SYSTEM**

FIND OUT MORE 



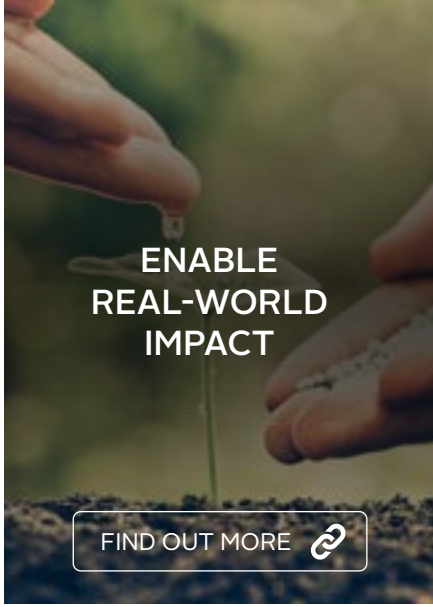
**DRIVE
MEANINGFUL DATA
THROUGHOUT
MARKETS**

FIND OUT MORE 



**CHAMPION
CLIMATE
ACTION**

FIND OUT MORE 



**ENABLE
REAL-WORLD
IMPACT**

FIND OUT MORE 



ENHANCE OUR DIGITAL CAPACITY

We have made greater use of digital communications as part of our response to operating amidst COVID-19, and have seen strong growth in followers, views and downloads across our website, digital and social channels.



ENHANCE OUR GLOBAL FOOTPRINT

The number of PRI investor signatories increased by 26%, from 2701 to 3404, over the last year.



DEVELOP OUR STAFF

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.



FINANCIAL STATEMENTS



BOARD REPORT



IN-HOUSE SUSTAINABILITY



NEW AND FORMER SIGNATORIES

FOREWORD

From PRI Chair Martin Skancke

During the past year, we have needed to respond to the global challenge of the Covid-19 pandemic, while also maintaining our focus on signatories and the promotion of responsible investment practices.

We have worked closely with signatories to develop our 2021-24 strategy, grounding it in the perspective of the investor, drawing on our distinctive strengths and determining where we are best placed to deploy our efforts.

ESG incorporation and stewardship are our core business and remain a major focus of our work. Increasingly however, our signatories are recognising that the real-world sustainability outcomes they contribute to shaping through their investment activities feed back into the financial risks they face.

Therefore, our strategy also aims to build bridges between financial risk, opportunities, and real-world outcomes. In the next three years, we will help signatories understand what this looks like in practice.

REPORTING FRAMEWORK

The last 12 months have also seen us pilot a new Reporting Framework. Based on extensive signatory consultation, it aimed to pose more challenging questions, such as asking signatories to report on how they measure the real-world outcomes of their investments, while being more consistent in structure.

The development and launch of a new and complex system has been a significant undertaking. Even though we worked incredibly hard to achieve this, I recognise that many of our signatories have experienced difficulties during the reporting period.

Overall, while most signatories signalled that the content better captures their responsible investment activities compared to previous reporting frameworks, the feedback varied between modules and signatory types.

Many also found that the time and resources required to complete the reporting was too high. This was compounded by issues with the navigation and functionality of the new online reporting tool and created problems for signatories trying to review their answers before submission.

We fell short in our preparedness to deal with these problems. We acknowledge the frustration that many of you felt and take responsibility for these issues, which we are now working to resolve. To ensure we have enough time to implement the changes needed, we have decided to delay opening the next reporting period until 2023.



MARTIN SKANCKE
Chair

LOOKING AHEAD

We will also move into a new phase of leadership, following the decision of our CEO Fiona Reynolds to stand down from her position, but our work and priorities will remain the same. Signatories can be assured that we, alongside Fiona and the PRI team, will ensure a seamless transition.

“In Fiona’s tenure as CEO of the PRI, she has led its growth in scope and reach, to investors, policy makers and other stakeholders around the world. With tremendous commitment, energy and experience, Fiona has also contributed personally to the growth of responsible investing more broadly. We are very sorry to see Fiona step down as CEO, but fully understand her personal wish to be home in Australia with family.

We sincerely thank Fiona for her remarkable legacy during her nine years as CEO.”

Martin Skancke, Chair

FOREWORD

From PRI CEO Fiona Reynolds

COVID-19 has made the last year incredibly challenging, while also acting as a much-needed wake-up call for the finance industry and broader society, underlining the importance of responsible investment to global progress on ESG issues and stakeholder governance.

It has highlighted that we cannot continue treating nature with contempt – and reminds us of the urgency of social issues and the need to create an economic model that works for everyone, not just a privileged few.

Employers have also had to re-think the way they run their workplaces, and how to best take care of their employees' physical and mental health. The PRI has been no different, with staff wellbeing a core concern, alongside ensuring that signatories continue to receive the support and guidance they require.

2021-24 STRATEGY

These multiple, interrelated crises have also set the backdrop to our 2021-24 strategy.

Under the framework of our 10-year Blueprint for Responsible Investment, the PRI's new three-year strategic plan sets out an ambitious response to these circumstances, building on the unique role of the PRI and our signatory base, and on our distinctive strengths as the world's largest responsible investment organisation.

ACHIEVEMENTS OF THE 2018 – 2021 STRATEGY

2020-21 represented the culmination of the first three-year strategy period under our 10-year Blueprint for Responsible Investment. As evidenced in this annual report, we have achieved a lot alongside our signatories and stakeholders.

We launched our flagship work on investing with human rights and have added to our active ownership work by publishing guidance on drafting shareholder resolutions.

We have expanded our library of introductory responsible investment resources with guides on climate change for asset owners, stewardship, and screening, and have launched engagement guides on sovereign debt and whistleblowing.

We continued to participate in the European Technical Expert Group on Sustainable Finance and provided guidance and case studies for signatories on how the EU taxonomy can be implemented.



FIONA REYNOLDS
Chief executive officer

We conducted policy engagement in the US, European Union, UK, China and Japan on investor duties, stewardship, taxonomy and disclosure.

Our work on climate change – which signatories continue to identify as their number one ESG issue – has also advanced, through Climate Action 100+, the Net-Zero Asset Owner Alliance, the Inevitable Policy Response project, and an ongoing suite of TCFD guidance resources.

REPORTING FRAMEWORK

Following the pilot of the Reporting Framework this year, we have received feedback on the content and the online reporting tool, both of which signatories experienced issues with.

As a result of some of the issues with the tool, some of the data captured this year contains gaps and errors, which we are working alongside an external consultant to comprehensively identify before releasing Transparency Reports and Assessment Reports later this year.¹

¹ While it is important that the errors and gaps in certain individual data points are rectified before public Transparency Reports and Assessment Reports for individual signatories are published, these are limited in scope and are not considered likely to have a meaningful impact on the aggregated results presented throughout this annual report.

We will continue to analyse signatory feedback on the Reporting Framework, online reporting tool and the assessment and transparency reports they will receive, before making changes to reduce the burden of reporting and significantly improve the user experience.

As a result of delaying the opening the next reporting period until 2023, some related initiatives and areas of focus, such as strengthening the minimum requirements and identifying the 2021 Leaders' Group, will also be postponed.

All our other core programmes and signatory services will continue, alongside our work to improve reporting and assessment. In addition, we will undertake further engagement with signatories in the coming months through a series of webinars.

MY NEXT STEPS

With the new three-year strategy in place and the organisation in a strong position to carry its mission forward, I have made the decision to step down as CEO.

This has not been an easy decision — to say I have loved my time at the PRI would be an understatement. Being part of our signatories' responsible investment journey and driving toward a more sustainable, green and just future has been a highlight of my career.

When I first joined the PRI at the beginning of 2013, we had only 37 staff and just over 1,000 signatories to the Principles. Nearly nine years later, the PRI is supported by over 170 staff and our global signatory base represents more than half the world's institutional assets.

More importantly however, responsible investment is no longer seen as a fringe topic, but is now a mainstream investment issue. Indeed, the PRI now has 3826 signatories (3404 investors and 422 service providers), representing collective assets under management of just over US\$121 trillion as of 31 March 2021.

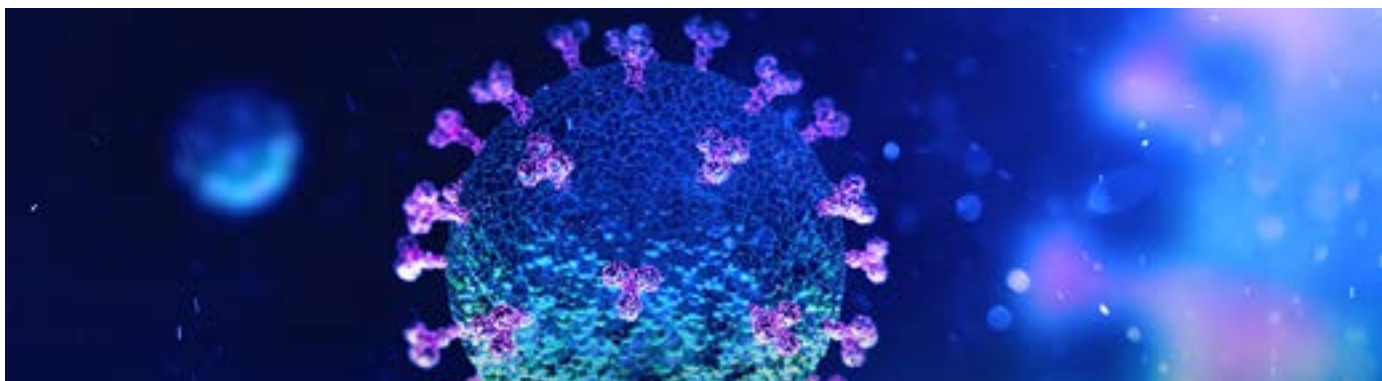
It has been a privilege to witness the growth of the organisation alongside this evolution of responsible investment.

I want to thank every one of you for your passion and for making my time at the PRI such an amazing journey.

Until my departure in the new year, an orderly transition will be my top priority and I will work closely with the Board and Executive to ensure a seamless handover to the new CEO.

As ever, our signatories remain our number one priority. I am truly excited for the PRI's future – to see it continue to grow, foster leadership and inspire change.

COVID-19



COVID-19 remains a serious threat to our health, communities, economies and investments. It requires action from investors, companies and governments. In the wake of the pandemic unfolding, we convened a series of signatory participation groups to determine short- and long-term investor priorities and worked to help signatories in their immediate ESG responses and planning for a sustainable longer-term recovery.

We published a report, [Sustainable and inclusive: Covid-19 recovery and reform](#), providing recommendations for investor policy engagement and post-COVID-19 proposals for action and have also developed a library of [COVID-19-related resources](#), including:

- [ESG, credit risk and COVID-19](#);
- [AGM season during the COVID-19 pandemic: trends and themes](#);
- [Brazil during COVID-19: how responsible investors can drive real-world impact](#); and
- [Water sanitation and hygiene during COVID-19](#).

We have also focused on supporting our own staff and ensuring their wellbeing during the pandemic – read more in [Develop our staff](#).

[VIEW ALL COVID-19 RELATED RESOURCES](#)

2021 - 2024 STRATEGY

Guided by the six Principles for Responsible Investment and the PRI Mission



BUILDING A BRIDGE BETWEEN FINANCIAL RISK, OPPORTUNITIES AND REAL-WORLD OUTCOMES

Below we outline our new three-year strategic plan (2021-24), which comes under the framework of our 10-year Blueprint for Responsible Investment, launched in 2017. It sets out an ambitious response to the issues and circumstances we find ourselves in – including the COVID-19 pandemic, environmental challenges and deepening social inequalities. It builds on our distinctive strengths as the world's largest responsible investment organisation, our unique role and that of our signatory base.

OUR STRATEGIC DRIVERS

| BIG TENT | ACCOUNTABILITY | SCALABILITY |
|---|---|---|
| We welcome a diverse and global signatory base. Diversity gives us strength. We aim to provide value for all. | Accountability is critical for signatory credibility and drives progress. | Scale leverages signatories' responsible investment effort and impact. We aim to support signatory learning and collaboration at scale. |

OUR ENABLERS

| Supporting signatories | Supporting people | Financial management | Governance |
|--|---|--|--|
| <ul style="list-style-type: none"> ■ Increased global operating presence ■ Digital transformation ■ Deeper signatory engagement | <ul style="list-style-type: none"> ■ Post-pandemic ways of working ■ Diversity and inclusion ■ Professional development ■ Recruitment and retention | <ul style="list-style-type: none"> ■ Signatory certainty on fees ■ Strong reserves ■ Strong financial oversight | <ul style="list-style-type: none"> ■ Elected representative board ■ Strategic direction and oversight ■ Accountability and transparency ■ UN links |

OUR KEY INITIATIVES 2021-24

| | | |
|----------------------------|-----|---|
| RESPONSIBLE INVESTORS | 1. | Provide evidence, tools, guidance and examples of best practice on assessing financial risks/opportunities and links to real-world outcomes |
| | 2. | Develop investors' understanding of, and approach to, stewardship |
| | 3. | Facilitate collaborative engagements on priority ESG issues |
| | 4. | Provide dedicated support for asset owners |
| | 5. | Increase support for responsible investment in emerging markets |
| | 6. | Deliver the new reporting and assessment process, following the pilot |
| | 7. | Develop a leadership programme that recognises excellence and supports learning |
| | 8. | Increase minimum requirements |
| | 9. | Build confidence in data reported to the PRI, by exploring stronger assurance measures |
| | 10. | Enhance training for investment professionals through the PRI Academy |
| | 11. | Better connect investors and academics |
| SUSTAINABLE MARKETS | 12. | Engage with policy makers on climate and other priority issues |
| | 13. | Contribute to ESG incorporation being implemented in financial policy and regulation |
| | 14. | Conduct legal and policy analysis to help develop the environment and frameworks needed to support investing for real-world outcomes |
| | 15. | Work with other financial market participants to ensure their products and services are aligned with the sustainability needs of their investor clients |
| | 16. | Collaborate with others to develop a single global sustainability reporting system for investors and corporations |
| | 17. | Analyse investment market structure, to define sustainability-enhancing interventions for systemically important participants |
| A PROSPEROUS WORLD FOR ALL | 18. | Provide tailored guidance on investing with real-world outcomes across multiple markets |
| | 19. | Develop tools and guidance for assessing climate risk. |
| | 20. | Support signatory climate action in aligning portfolios towards net zero by 2050. |
| | 21. | Build investors' understanding of human rights and support them in embedding the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises |
| | 22. | Support investor action on priority ESG issues, including through incorporation activities and shaping outcomes in line with planetary boundaries, inclusive societies and a corporate culture that delivers sustainable performance. |

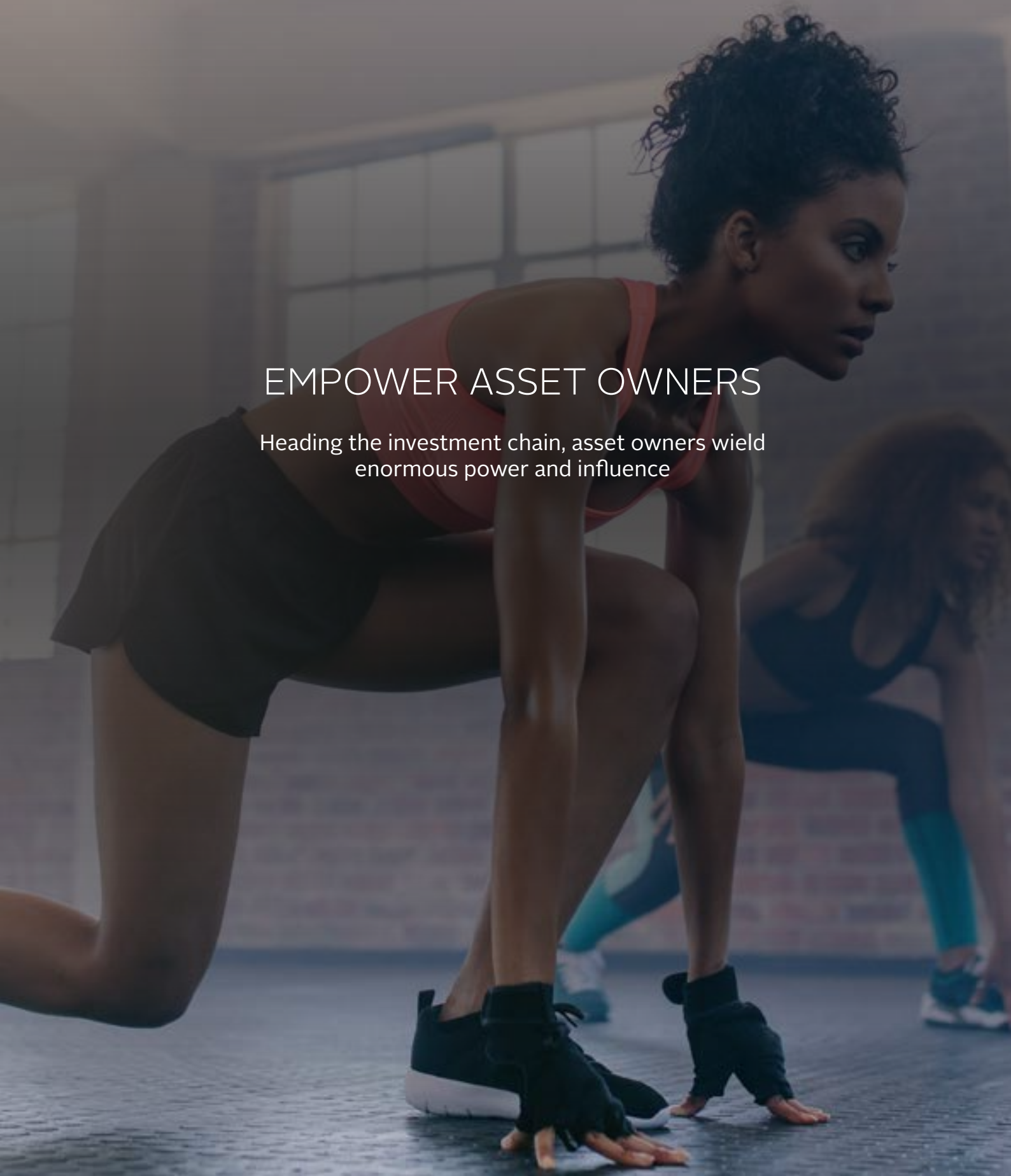


[READ MORE ABOUT OUR THREE-YEAR STRATEGY](#)



EMPOWER ASSET OWNERS

Heading the investment chain, asset owners wield enormous power and influence



EMPOWER ASSET OWNERS

10-YEAR BLUEPRINT COMMITMENTS:

- championing ESG incorporation throughout organisations;
- enabling asset owners to effectively oversee and monitor investment managers, consultants and others to meet their responsibilities to beneficiaries;
- demonstrating how long-term global trends will shape the investment environment of tomorrow;
- establishing that asset owners' responsibilities to their beneficiaries extend beyond the risk/return profile of their investments.

SELECTION, APPOINTMENT AND MONITORING

Responsible investment principles should be at the core of the relationship between asset owners and investment managers and should be incorporated into all stages of the investment manager relationship.

Indeed, 82% of reporting asset owners² said they incorporated ESG factors into their selection, appointment, and monitoring processes this year, with notable improvements across alternative asset classes such as farmland and infrastructure (see chart below). Some 86%³ reported implementing ESG requirements in their requests for proposals, investment management agreements, limited partnership agreements and other appointment processes.

We published three detailed guides to assist our asset owner signatories further with their responsible investment practices across [selection](#), [appointment](#) and [monitoring](#). Each guide is accompanied by tools – such as sample ESG scoring methodologies, disclosure questions and standard ESG clauses that can be inserted into legal documentation.

We also published an [introductory guide](#), which forms part of a [series](#) to support early-stage signatories in their incorporation of ESG issues.

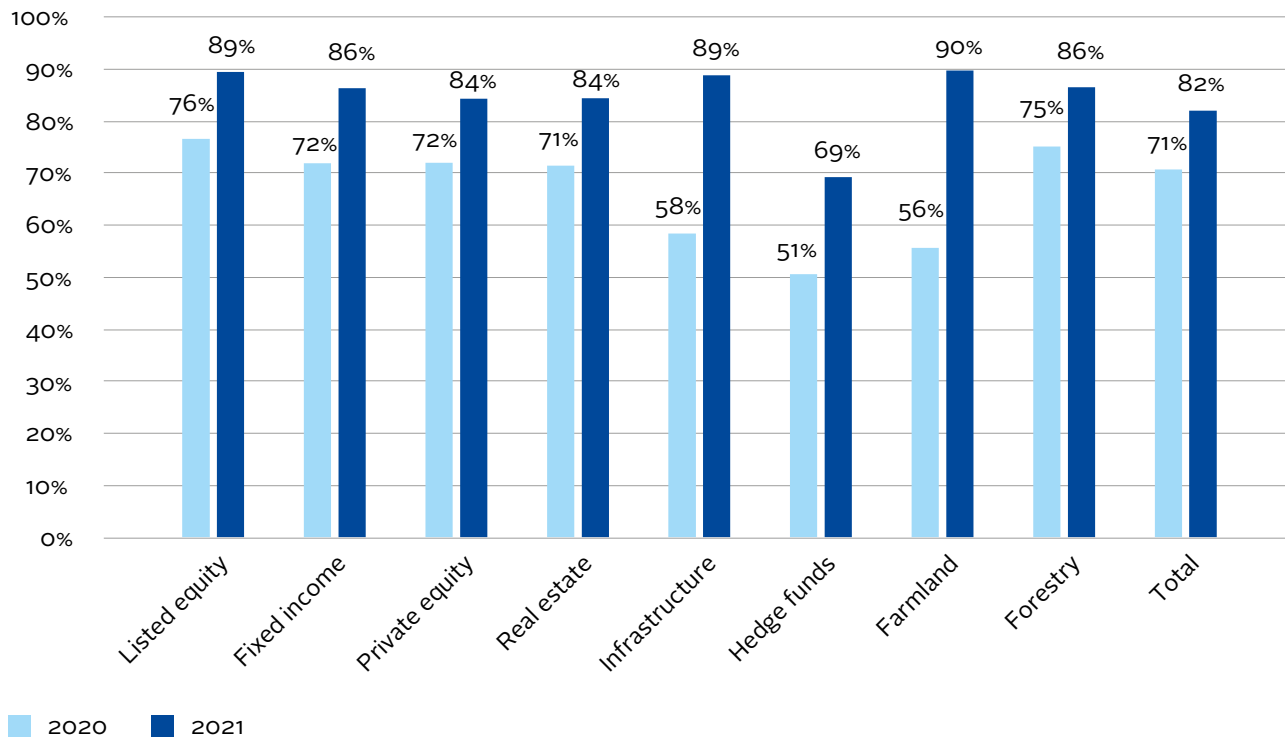
In the coming year, we will produce work on ESG considerations in mandate design, to help asset owners close the gap between internal responsible investment governance and their manager relationships.



² All reporting data referenced in the Annual Report relates to the 2771 signatories that were required to report to the PRI in 2021. It excludes new signatories as they do not have to report in their first year. For more information, see [The reporting process](#).

³ Due to changes in the Reporting Framework methodology, asset owners whose externally managed assets were held in pooled investment vehicles were excluded from answering this question.

Percentage of asset owners incorporating ESG issues in their selection, appointment and monitoring practices

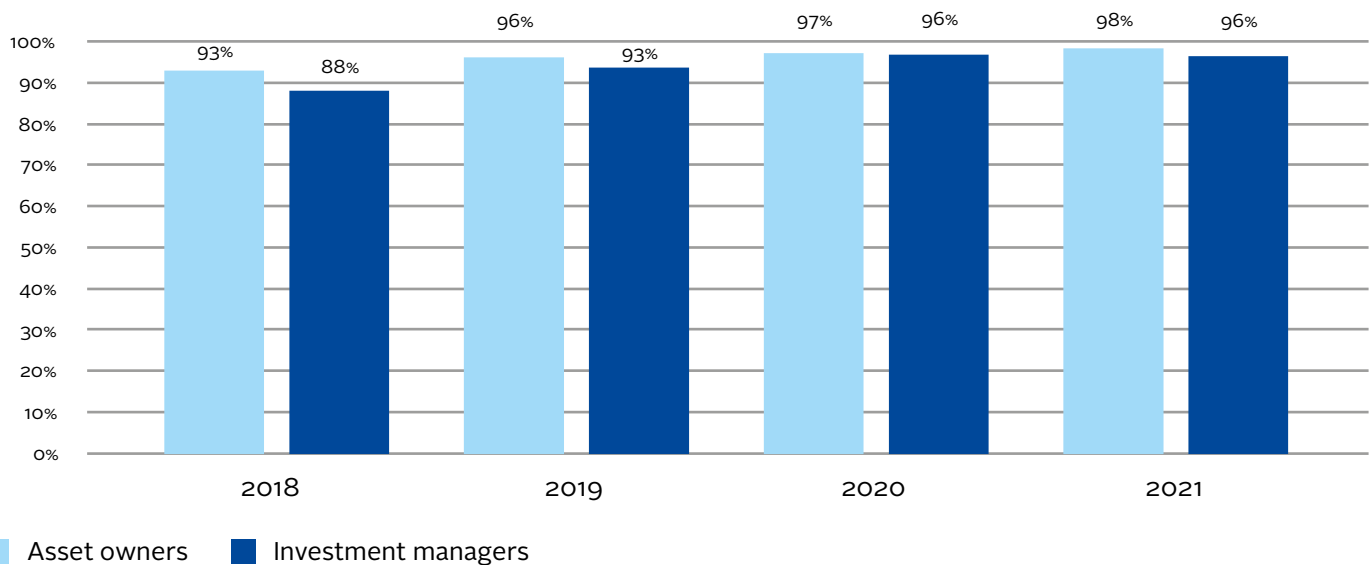


STRATEGY, POLICY AND STRATEGIC ASSET ALLOCATION

Having a responsible investment policy and reflecting this in their investment strategies and strategic asset allocation allows asset owners to show how they are financing a sustainable economy, inclusive of environmental and social issues.

Some 98% of asset owner signatories reported having a responsible investment policy, while 96% of investment managers did, reflecting a well-established practice among all respondents.

Percentage of signatories with a responsible investment policy covering the majority of their AUM



We published a series of signatory case studies, as well as guidance on the implications of the Inevitable Policy Response for ESG incorporation.

More detail on this work can be found at [Strategy, policy and strategic asset allocation](#).

UNDERSTANDING AND ALIGNING WITH BENEFICIARIES' SUSTAINABILITY PREFERENCES

Understanding beneficiaries' ESG and sustainability preferences is of increasing importance to asset owners, and should inform their investment strategy, policy and strategic asset allocation, including investment manager relationships.

We researched how beneficiaries' sustainability preferences have been understood to date and how our signatories are trying to improve their understanding of this topic, publishing [guidance](#) to educate asset owners and their trustees.



NET-ZERO ASSET OWNER ALLIANCE

The Net-Zero Asset Owner Alliance is an ambitious climate leadership group, co-convened by the PRI and UNEP FI. Members make a public commitment to transitioning investment portfolios to net-zero greenhouse gas emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures. PRI CEO Fiona Reynolds serves on the steering group, while the alliance is supported by WWF and Global Optimism, an initiative led by Christiana Figueres, former Executive Secretary of the United Nations Framework Convention on Climate Change.

The Net-Zero Asset Owner Alliance published several reports this year, including:

- the [Inaugural 2025 Target Setting Protocol](#), which sets out how alliance members will issue and report on their intermediary targets for 2020–2025, in line with the Paris Agreement;
- a [Thermal Coal Position paper](#), setting out how members will decarbonise their portfolios to contribute to global efforts to avoid a global average temperature increase above 1.5°C;
- a study, [Sectoral Pathways to Net-Zero Emissions](#), based on the 2019 One Earth Climate Model by the Institute for Sustainable Futures at University of Technology Sydney, mapping out possible 1.5 °C pathways for five high-emitting sectors: energy, utilities, materials in specific steel and cement, and transport; and
- a [tool](#) for asset manager engagement on climate-related proxy voting.

The alliance was initiated by Allianz SE, Caisse des Dépôts, Caisse de dépôt et placement du Québec (CDPQ), Folksam Group, PensionDanmark, and SwissRe.

It is open to all PRI signatory asset owners to [join](#).

14 MEMBERS

HAVE JOINED IN 2020/21,
WITH MEMBERSHIP TRIPLING TO

37

SINCE 2019 LAUNCH

AS OF MAY 2021

19

ASSET OWNERS

HAVE SET 2025 TARGETS

KEY TARGETS

Asset owner signatories typically implementing ESG and other requirements in contracts (RFPs, IMAs, LPAs) and typical processes: 86%

(PRI target: 50%)

96% of asset owner signatories' missions, strategies and or investment policies that cover the majority of their AUM reference ESG, responsible investment, sustainability, or a related concept.

(PRI target: 85%).

Asset owner signatories incorporating ESG factors into selection, appointment, and monitoring processes: 82%

(PRI target: 75%)

Asset owner signatories using the PRI data portal: 85%

(PRI target: 75%)



SUPPORT INVESTORS INCORPORATING ESG ISSUES

Environmental, social and governance issues affect investment performance across companies, sectors, regions and asset classes



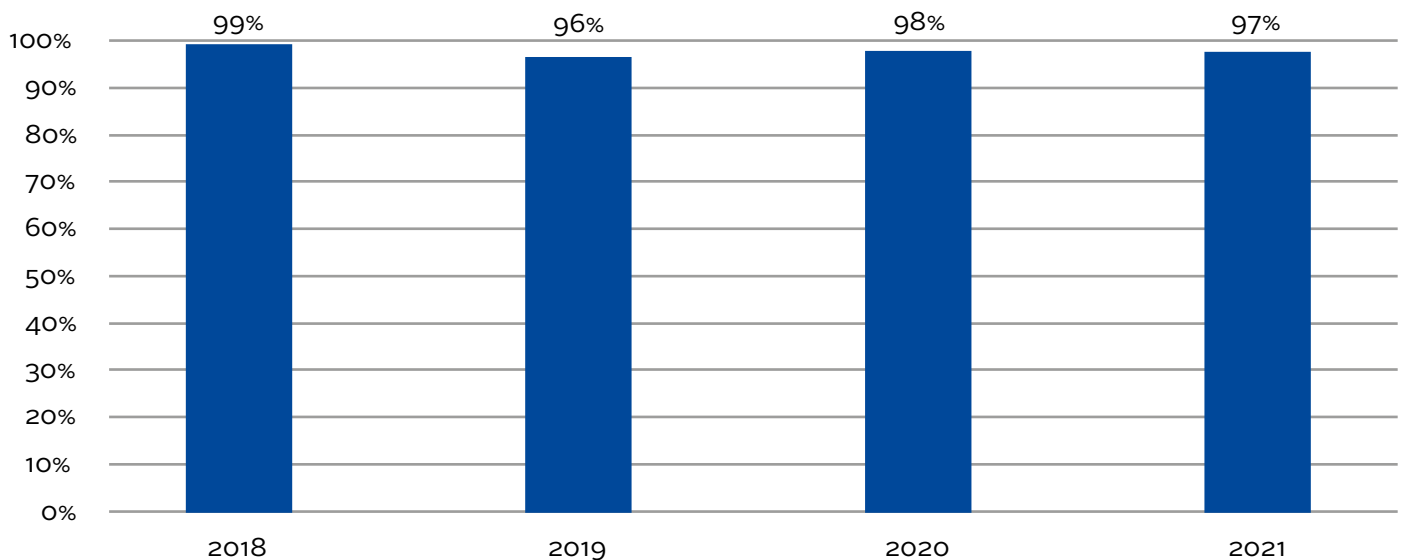
SUPPORT INVESTORS INCORPORATING ESG ISSUES

10-YEAR BLUEPRINT COMMITMENTS:

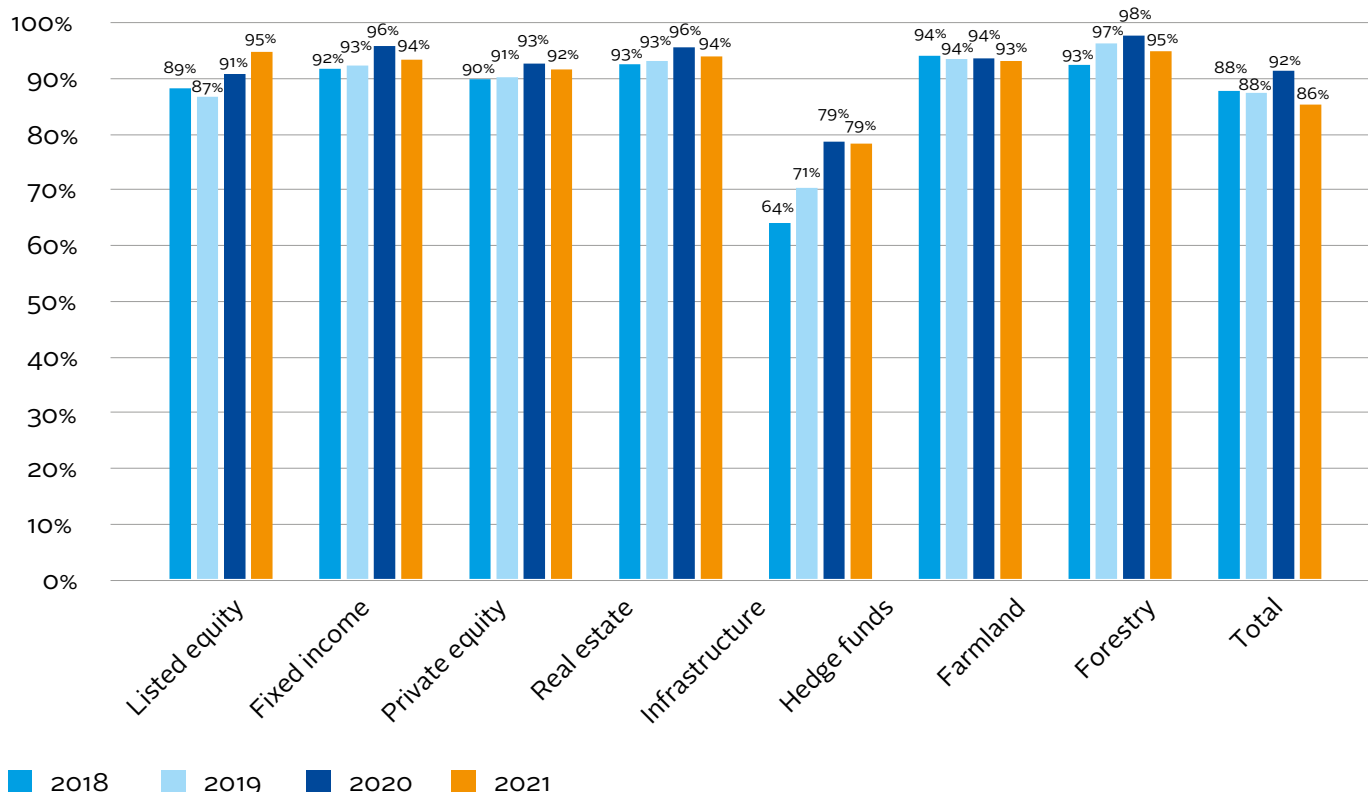
- increase the depth of insight and practice in asset classes where ESG incorporation is mature and penetration high;
- build the foundations for ESG incorporation in asset classes where it is still new; and
- lead signatories' awareness and response to existing and emerging ESG issues.

Some 97% of asset owner and investment manager signatories reported that they incorporate ESG factors into their listed equity investments, while 86% reported doing so across other asset classes.

Percentage of signatories incorporating ESG factors in listed equity investments



Percentage of signatories incorporating ESG factors in other asset classes



FIXED INCOME

CREDIT RISK AND RATINGS

The [ESG in Credit Risk and Ratings Initiative](#) aims to enhance the transparent and systematic integration of ESG factors in credit risk analysis. The Statement on ESG in Credit Risk and Ratings – still open to sign – is so far supported by 171 investors with over US\$36 trillion of AUM, and 26 credit rating agencies (CRAs).

Launched in 2016, the initiative initially nurtured a dialogue only between buy-side credit analysts and CRAs. Over the past year, we have broadened our outreach to other stakeholders (issuers, ESG information providers, consultants and ESG vendors) through a series of events and other supporting materials. The [Bringing credit analysts and issuers together: workshop series](#) summarises key themes from workshop discussions held so far, during which participants considered how the financial materiality of ESG factors varies by country, sector and debt issuer and shared challenges and possible solutions.

The [CRA quarterly updates](#) provide investors with resources they can use to make their investment decisions, such as research reports and rating actions, while allowing CRAs to show how they are signposting ESG factors in their analysis.

SECURITISED PRODUCTS

ESG incorporation in securitised products lags other fixed income sub-asset classes and is in its infancy – largely due to the complex nature of the market. However, investor interest is growing.

In response to increasing signatory demand, we published [ESG in securitised products: the challenges ahead](#). It explores current market practices and what information investors need to build a rigorous framework for assessing ESG factors in mainstream securitised products and ESG-labelled products, which are growing rapidly.

SOVEREIGN DEBT

We published an engagement guide for sovereign debt investors – for more detail, see [Active owners](#).

LISTED EQUITY

We published a [data snapshot report](#) exploring how approaches to ESG incorporation, active ownership and proxy voting in listed equities has changed since 2017, and an introductory guide on [screening](#). In the coming year, we will publish a revised technical guide on ESG integration in listed equity alongside other materials highlighting leading ESG incorporation practices.

PRIVATE MARKETS

As investors hold private market assets, such as private equity, real estate and infrastructure, for longer periods, and have greater control over them, they can have a powerful role in promoting the responsible investment agenda.

INFRASTRUCTURE AND REAL ASSETS

Investors are under increasing pressure to demonstrate that their investments support improved ESG outcomes. Given their long-term nature, infrastructure assets lend themselves well to responsible investment analysis, and crucially, play an essential role in meeting the Sustainable Development Goals.

We published two reports focused on infrastructure and the SDGs alongside a [series of case studies](#):

- [Are national infrastructure plans SDG-aligned, and how can investors play their part?](#) reviews the national infrastructure strategies of the UK, Malaysia, Chile, Canada, Australia and Kenya to assess the extent to which they incorporate the SDGs and/or sustainability factors more generally.
- [Bridging the gap: how infrastructure investors can contribute to SDG outcomes](#) outlines how infrastructure investors already consider the SDGs in their investment approaches and the challenges that must be overcome for this to become widespread, meaningful and consistent.

APPLYING TCFD RECOMMENDATIONS TO REAL ASSETS

As investors look at how to report on climate-related issues across specific asset classes, we published our [second guide](#) on applying the recommendations of the Taskforce for Climate-related Financial Disclosures, focused on real assets.

PRIVATE EQUITY

We commissioned a [legal memorandum](#) from law firm Debevoise & Plimpton to seek a better understanding of what the law says regarding US directors' duties in relation to ESG factors. It provides guidance to investment professionals that sit on the boards of private equity-backed, Delaware-incorporated, portfolio companies.

We continued to encourage signatories to join the [Initiative Climat International](#) (iCI), a first-of-its-kind climate initiative for private equity, and called on the industry to accelerate its climate action. iCI members commit to sharing knowledge, tools, experience and best practice among peers to help build and manage climate-aligned and climate-resilient portfolios. Read more about our climate-focused work [here](#).

We also supported new investment manager signatories that invest in private equity and venture capital – these have grown by 58% over the year to reach 792. More information on signatory growth can be found in [Enhance our global footprint](#).

INTRODUCTORY GUIDES

We added guides on ESG incorporation to our [Introduction to responsible investment](#) series, including on [screening](#) and [selecting, appointing and monitoring investment managers](#).



KEY TARGETS

Signatories incorporating ESG issues in listed equity investments: 97%

(PRI target: 100%)

Signatories incorporating ESG issues in other asset classes: 86%

(PRI target: 80%)



FOSTER A COMMUNITY OF ACTIVE OWNERS

Engaging companies on ESG issues improves their sustainability, their management and their risk/return profiles

FOSTER A COMMUNITY OF ACTIVE OWNERS

10-YEAR BLUEPRINT COMMITMENTS:

- increase signatories' understanding of how to exercise their investor rights;
- coordinate collaborative engagements to maximise investors' collective impact;
- promote alignment of proxy voting practices with responsible investment beliefs;
- enhance the PRI Collaboration Platform to make it a global hub for active ownership.

INTRODUCTORY GUIDE

We added a guide on [stewardship](#) to our [Introduction to responsible investment](#) series.



[READ THE INTRODUCTION GUIDE](#)

CLIMATE ACTION 100+

[Climate Action 100+](#) is one of the world's largest investor led engagement initiatives, with more than 545 global investor signatories across 32 markets, representing more than US\$52 trillion in assets under management. It aims to ensure that the largest corporate greenhouse gas emitters take necessary action on climate change, targeting 160 companies to date.

The PRI is one of five investor networks leading the initiative's engagement work. Alongside chairing the multi-region working group, PRI CEO Fiona Reynolds sits on the global steering committee governing Climate Action 100+.

This year, Climate Action 100+ issued its first [net-zero company benchmark](#), defining how businesses should align with a net-zero emissions future and the Paris Agreement goals and assessing in detail the climate commitments that companies have made. It also sets clear engagement priorities for the initiative to drive faster corporate climate action.

The initiative also published its first sector strategy, focused on [aviation](#), providing investor expectations to guide engagements with aviation companies and help them align with its goals.

It added nine companies to its focus list in 2020:

| COMPANY | COUNTRY |
|------------------------------------|------------------|
| Grupo Argos | Colombia |
| Grupo México | Mexico |
| Incitec Pivot | Australia |
| Oil Search | Papua New Guinea |
| Orica | Australia |
| Petróleos Mexicanos (PEMEX) | Mexico |
| Saudi Arabian Oil Company (Aramco) | Saudi Arabia |
| Ultratech Cement | India |
| Uniper | Germany |

MAKING VOTING COUNT

Following on from our broader work on [Active Ownership 2.0](#) – our framework for more effective and ambitious stewardship – we published [Making voting count: Principle-based voting on shareholder resolutions](#), which sets out how investors can develop and apply high-level principles to govern their use of voting on shareholder resolutions.

It outlines what voting principles are, why they are needed, how they can align with Active Ownership 2.0 and how they should be applied.



ACTING IN CONCERT

We published guidance for investors, together with Norton Rose Fulbright, to address the perception that regulatory barriers in Germany prevent institutional investors from engaging collaboratively there.

Involving several law firms, this work provides an overview of local regulations and legal opinions on whether certain behaviours would be considered acting in concert and trigger regulatory requirements. We plan to publish guidance on the US market next year, alongside a summary document that will provide practical advice on how signatories can implement the findings.

The guidance on Germany follows similar work in the UK and South Africa.

ALL ARE AVAILABLE TO VIEW HERE.

PRI-COORDINATED ENGAGEMENTS

In the past year we have completed two of our coordinated engagements (on oil and gas companies' approach to the climate transition and on responsible sourcing of cobalt) and continued work on two ongoing engagements (on climate action – see Climate Action 100+ and sustainable commodities⁴ – a second phase of this engagement will commence in 2021/22).

In the next year we will also launch an engagement focused on human rights issues, as part of our broader strategic focus on this area (see [Enable real-world impact section](#).)

TWO ENGAGEMENTS CLOSED IN 2020/2021

Climate oil and gas transition

15 companies have committed to an absolute or relative target for scope 1 and 2 emissions vs 10 in 2018

Between March 2018 and October 2020, we coordinated a collaborative engagement on climate change transition for the oil and gas sector, designed to complement and reinforce the goals of Climate Action 100+. More than 50 institutional investors, representing approximately US\$3 trillion, engaged with 25 oil and gas companies.

It aimed to explore how companies are assessing their climate-related transition risk exposure; ensure that they are planning appropriate responses to policy and technological shifts that may limit their ability to exploit assets; better understand how they are evaluating future capital expenditure and production, and encourage improved disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

READ THE RESULTS OF OUR ENGAGEMENT

⁴ Soy-linked deforestation and sustainable palm oil were previously two separate engagements – these are being merged into one working group. We expect to publish the outcome of these engagements in the coming months.

Responsible sourcing of cobalt

Between 2018 and 2020, we coordinated a collaborative engagement on responsible cobalt sourcing with companies in the electronics and automotive sector. A total of 46 institutional investors, representing approximately US\$6.4 trillion in assets under management, engaged with 16 companies on their cobalt sourcing practices. The objective was to improve companies' performance and impact in three focus areas:

- human rights risk assessment and comprehensive due diligence efforts;
- impact monitoring and corrective action, including on-the-ground remediation;
- and collaboration on systemic issues.



READ THE RESULTS OF OUR ENGAGEMENT

ENGAGEMENT GUIDANCE

This year we produced engagement guidance on whistleblowing and sovereign debt.

Whistleblowing

We published an [engagement guide](#) on how investors can assess and engage with investee companies and use their influence as stewards of capital to improve outcomes around corporate whistleblowing practice. It explains why this topic is relevant for investors, highlights potential focus areas, and provides a set of disclosure expectations and practical questions that investors can ask investee companies.

Sovereign debt

Our [engagement guide](#) on sovereign debt highlights market practices, challenges and how existing communication channels and opportunities can be leveraged to stimulate conversations around ESG topics through a multi-pronged process that can be mutually beneficial for sovereign debt issuers and investors.



COLLABORATION PLATFORM

The Collaboration Platform allows signatories to collaborate on PRI-coordinated initiatives, propose initiatives themselves and support those proposed by peers, pool resources, share information and enhance their ESG influence.

This year we launched a [publicly accessible database](#) allowing investors and other stakeholders to find upcoming ESG-related shareholder resolutions and track the results of key proposals that have been voted on.

We also upgraded and integrated a vote declaration tool, which aims to increase transparency and collaboration across the industry (in line with Principles two and six). It helps investors to share their voting intentions; demonstrating to peers how they undertake their responsible investment activities through voting on shareholder resolutions; and allows asset owners to monitor the voting activities of their investment managers.

In 2020/21 there were

326

**collaborations posted to the platform
(108 excluding shareholder resolutions);
compared to 229 (136) in 2019/20**

KEY TARGETS

70% asset owner and investment manager signatories have a policy on active ownership and have implemented organisational measures to effectively execute that policy in their listed equity holdings.

(PRI target: 80%)

Companies engaged with as part of a PRI-led engagement to improve their overall performance against the initiative's objectives: 63%

(PRI target: 85%)

Number of posts to the Collaboration Platform: 42% decrease

(PRI target: 14% increase)

Over two-thirds (70%) of signatories have a stewardship component in their responsible investment policy and implement organisational measures to ensure it is executed effectively across their listed equity holdings.⁵

⁵ This question, introduced in the new Reporting Framework, is similar to the 2018/2019/2020 question asking whether signatories set objectives for the majority of their individual or collaborative engagements, but not directly comparable.



SHOWCASE LEADERSHIP AND INCREASE ACCOUNTABILITY

A race to the top and a clear rulebook improve results

SHOWCASE LEADERSHIP AND INCREASE ACCOUNTABILITY

10-YEAR BLUEPRINT COMMITMENTS:

- reward and highlight top performers;
- share examples of what the best are doing;
- define a minimum standard of activity that signatories must achieve;
- monitor and engage with those that are not meeting this standard and delist any that fail to do so over a two-year period; and
- delist signatories that contravene the spirit of the Principles.

Ensuring that signatories are held accountable empowers us to recognise the leaders, and support those that are lagging.

SHOWCASE LEADERSHIP

THE LEADERS' GROUP

The Leaders' Group showcases signatories at the most advanced stages of responsible investment, and highlights trends in their practices. We use signatories' reporting responses and assessment data to identify those that are doing great work in responsible investment across their organisation, focused on a given theme each year.

In 2020, the theme was climate reporting, with 16 asset owner and 20 investment manager signatories demonstrating leading climate reporting practices, aligned with the [FSB's Task Force on Climate-related Financial Disclosures \(TCFD\)](#), across governance, strategy, risk management, metrics and targets.

READ THE LEADERS' GROUP
2020 REPORT HERE.

THE PRI AWARDS

Where the Leaders' Group assesses the breadth of signatories' excellence, the PRI Awards recognise achievement in specific projects, conducted by signatories of all sizes, specialisms and levels of development.

For the PRI Awards 2020, we received 119 entries from signatories headquartered in 25 countries, with 20 judges selecting winners and shortlisted nominees across the following categories:

- ESG incorporation initiative of the year
- Stewardship project of the year
- ESG research report of the year
- Real-world impact initiative of the year
- Emerging markets initiative of the year

These were announced at the PRI Digital Forum: EMEA – the winning and shortlisted case studies can be found on the [PRI website](#).

We have received 110 entries from signatories headquartered in 26 countries for the PRI Awards 2021. The winners will be announced at the PRI Digital Conference in October.

READ MORE ABOUT THE PRI AWARDS

INCREASING ACCOUNTABILITY

NEW REPORTING FRAMEWORK PILOT

This year we piloted the new Reporting Framework, following extensive signatory consultation. It aimed to pose more challenging questions – for example, asking signatories to report on how they measure the real-world outcomes of their investments, aligned with the Blueprint aim to enable real-world impact in line with the SDGs (see [Enable real-world impact](#)).

We have received feedback on the pilot Reporting Framework from more than 1,700 signatories, including comments on its structure and content and on the online reporting tool user experience.

Overall, while most signatories indicated that the content better captures their responsible investment activities compared to previous Reporting Frameworks, many also found that the time and resources required to complete the reporting was too high. Issues with the navigation and functionality of the new online reporting tool contributed to this and created problems for signatories trying to review their answers before submission.

This has also affected the accuracy of the data captured this year. We are working with an external consultant to ensure that all errors are identified before we release signatories' Transparency Reports and Assessment Reports to them privately. Signatories will then be able to review and, where errors are identified, request amendments to these reports before they are finalised and made public.

The Transparency Reports and Assessment Reports will look different from those released in previous reporting cycles, reflecting the changes made to the Reporting Framework, and so we will also gather signatory feedback on these once released.

In order to incorporate all feedback received on the Reporting Framework content and transparency and assessment reports, and to significantly improve the overall user experience, we have delayed the opening of the next reporting period until early 2023.

This will also postpone the announcement and implementation of the strengthened minimum requirements (see below), and engagement with signatories identified as not meeting the minimum requirements in 2021.

For more information on the delayed opening of the next reporting period, read the announcement [here](#).

MINIMUM REQUIREMENTS

The minimum requirements for PRI signatory membership have been in place since 2018, and the 2020 reporting cycle saw the first cohort of signatories delisted for failing to meet these following a two-year engagement period.

Our engagement with signatories identified as not meeting the minimum requirements has continued to be successful. Over the last year, we engaged with 67 signatories, of which 92% met the minimum requirements in the 2021 reporting cycle.

This follows our engagement with 123 signatories in 2019, 83% of which met the minimum requirements in 2020, and with 121 signatories in 2018, of which 69% went on to meet the minimum requirements in 2019.

Like last year, we also exceeded our key target to engage with more than 90% of each cohort over the two-year engagement period. Of the 152 signatories identified in 2018, we had engaged with more than 94% by 2020, and 92% of those (132) went on to meet the minimum requirements in the 2020 reporting cycle. We engaged with 97% of the signatories identified in 2019 (141), with 94% then meeting the minimum requirements in the 2021 reporting cycle.

Minimum requirements review

We have been reviewing the minimum requirements over the last 12 months with the aim of strengthening them, to ensure they remain fit for purpose and continue to increase accountability. As part of our consultation with signatories on the 2021-24 strategy, we proposed several potential new minimum requirements and an amendment to the timeline to meet these.

We have been analysing signatory feedback on these and using data from the 2021 reporting cycle to assess the suitability of each proposal. Due to the next reporting cycle being delayed until 2023 (see Reporting Framework pilot above) this has now been postponed.

FURTHER INFORMATION ON THE MINIMUM REQUIREMENTS REVIEW CAN BE FOUND [HERE](#).

KEY TARGETS

Number of signatories meeting the minimum requirements in the 2021 reporting cycle after the executive engaged them in 2018/19 and 2019/20: 94%
(PRI target: 90%)



CONVENE AND EDUCATE RESPONSIBLE INVESTORS

Sharing knowledge, reaching new people and supporting
development will benefit everyone

CONVENE AND EDUCATE RESPONSIBLE INVESTORS

10-YEAR BLUEPRINT COMMITMENTS:

- focus global recruitment on growing the number of asset owner signatories;
- reach new markets and institutions;
- introduce an associate member category for asset owners new to responsible investment; and
- expand the reach of responsible investment training.

CONVENE

2,211

ATTENDEES AT
OUR
**THREE DIGITAL
CONFERENCES**

REPRESENTING
OVER

1,300
ORGANISATIONS

AND

73
COUNTRIES

To continue convening and educating responsible investors despite the ongoing disruption caused by COVID-19, we hosted three digital forums last year across [Europe, the Middle East and Africa, Asia-Pacific](#) and [the Americas](#).

Speakers included UN Deputy Secretary General Amina Mohammed, Professor John Ruggie of the Harvard Kennedy School, and Japanese Vice Minister of the Environment Tokutaro Nakai.

The sessions featured keynote presentations, panel discussions and breakout sessions, including:

- the launch of the PRI's flagship report on [why and how investors should act on human rights](#);
- expert-led discussions on topics such as climate change, the Sustainable Development Goals, ESG in fixed income and global responsible investment policy trends.

More information on the digital forums and other events can be found [here](#).

“It was valuable to hear about what others are doing to manage climate risks and in response to the EU sustainable finance regulations. Some speakers mentioned the usefulness of industry dialogues – the PRI EMEA Forum is a great platform to facilitate these dialogues.”

WEBINARS

Over 14,000

unique webinar registrations

We significantly expanded our calendar of webinars and podcasts in the absence of in-person events and now have a substantial [library of content](#) that signatories can watch or listen to on demand, covering a host of responsible investment topics, including:

- corporate governance in China
- the Net-Zero Asset Owner Alliance
- ESG credit risk and ratings
- manager selection, appointment and monitoring

EDUCATE

THE ACADEMIC NETWORK

The Academic Network Conference took place in October 2020, showcasing responsible investment evidence and insights from 15 academic papers. As with our other events, we moved the conference to an online format, broadening participation to 738 registrants, up from 175 last year – including 349 academics and 379 investors.

We also launched:

- an interactive seminar series, allowing thought leaders to present working papers, and published 37 blog posts summarising the research findings;
- a curation of [influential, peer reviewed research](#), and searchable review tools on ESG literature and ESG data for investors and academics.

KEY TARGETS

Signatories attending⁶ at least one PRI event: 62%
(PRI target: 50%)

Participants at regional digital forums rating them 'excellent' or 'good': 90%
(PRI target: 85%)

Participants rating Academic Network conference as 'good' or 'excellent': 89%
(PRI target: 85%)

⁶ Target reflects registration rather than attendee numbers due to challenges recording attendee data in salesforce for digital events over the last year.



THE PRI ACADEMY

Over 5,000

enrolments across our courses in 2020/21,
up from 4022 in 2019/20

Demand for the PRI Academy's offering remains high, with revenues exceeding £1m for the first time and the largest sale to date recorded in the past year. Over the last year we introduced a new learning management system to provide a more modern, user-friendly learner experience and launched a new version of our most popular course, Getting Started in Responsible Investment.

As competition in the ESG training market intensifies, we are focused on building foundations for long-term growth, by revitalising our course offerings and strengthening our team.

“The Getting Started in Responsible Investment programme has been really well received by our employees, providing a strong foundational knowledge for them to consider ESG issues in investment decision making, and practical case studies on how to apply the learning.”

Julie Aspinall,
Head of Learning & Development, Legal & General
Investment Management

KEY TARGETS

Satisfaction rating of PRI Academy courses: 97%
(PRI target: 85%)

Increase in the number enrolments on PRI Academy:
24%
(PRI target: 14%)



CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM

Creating long-term value requires a sustainable global
financial system

CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM

10-YEAR BLUEPRINT COMMITMENTS:

- address key obstacles to creating the sustainable financial system that long-term investment performance requires;
- champion changes that would promote long-term investing;
- target behaviours, practices and incentives that create short-termism.

GLOBAL POLICY ENGAGEMENT PROGRAMME

We continue to engage with policy makers around the world, with a focus on the European Union, China, Japan, the US and UK. Our work this year has included [engaging](#) with G7 and G20 host governments on aligning financial policy with sustainability; updating our [regulation database](#) to cover 650 sustainable finance policies globally and publishing a [policy toolkit](#) with the World Bank on how policy makers can contribute to a sustainable financial system.



SIGNATORY ENGAGEMENT WITH POLICY MAKERS

Between 2018 and 2020⁷, signatories reported an increase in their engagement with policy makers, from 46% to 51% respectively. As this is considered an advanced responsible investment practice, it was not a formal measure for the 2018-21 strategy period. However, in line with enhancing signatory accountability and fulfilling our ambitious 2021 - 2024 strategy, it will be adopted as a key performance indicator for the next three years.

POLICY CONSULTATIONS AND BRIEFINGS

We responded to 52 [consultations](#) and published 18 [policy briefings](#) in 15 markets, including:

- five country [climate policy roadmaps](#) (EU, UK, US, China, Japan);
- on the EU sustainable finance strategy, the EU taxonomy and disclosure regulations as well as the EU sustainable corporate governance initiative;
- on ESG disclosure in China, green project classification and China's climate goals.

9998 SUBSCRIBERS

to the policy newsletter as of 31 March 2021,
up from 7309 in 2020

⁷ 2021 data not available due to issues experienced with the Reporting Framework tool. For more detail, see [Showcase leadership and increase accountability](#).

A LEGAL FRAMEWORK FOR IMPACT

The PRI, UNEP FI and The Generation Foundation commissioned Freshfields Bruckhaus Deringer to research how investors in 11 major jurisdictions can manage their fiduciary and impact duties within existing legal frameworks and make recommendations for policy changes where legal impediments restrict investors from incorporating sustainability impact in their investment decision-making.

The first report from this research found that while there are differences across jurisdictions and investor groups, where investing for sustainability impact approaches can be effective in achieving an investor's financial goals, they will likely be required to consider using them and act accordingly.

It also provides options for policy makers wishing to facilitate investing for sustainability impact, including changing investors' legal duties and discretions.

The report's findings will now form the basis of a multi-year work programme that will include policy maker engagement and supporting investors via workshops and tools to advance their practice, initially in five of the markets studied: the EU, Australia, Canada, Japan and the UK.



[READ ABOUT THIS WORK HERE](#)

EUROPEAN UNION



The EU's Sustainable Finance Taxonomy takes an important step towards ensuring that capital markets contribute to a low-carbon, resilient and resource-efficient economic transition, which we supported throughout its development by participating in the European Technical Expert Group on Sustainable Finance.

This year we coordinated a practitioner group of 40 signatories that tested the taxonomy on a real portfolio, resulting in a [series of case studies](#) and a [report](#) that provide guidance on its implementation.

PRI Chief Responsible Investment Officer, Nathan Fabian, has also become chair of the EU's [Platform on Sustainable Finance](#), established in October 2020.

Our work has been guided by three priorities:

- engaging in debate about financial services legislative reform so that the EU continues to lead with innovative, progressive financial services policy to encourage the financial system to support inclusive, equitable economies;
- advancing policy reforms related to ESG data disclosure;
- engaging member state governments in France and Germany to effectively implement the EU sustainable finance strategy and support further policy reforms in aligning capital markets with sustainability outcomes.

We published [Investor priorities for the EU Green Deal](#), providing recommendations on how investors can scale up their contribution to the EU Green Deal, responded to a [Multiannual Financial Framework \(MFF\) and Next Generation EU](#) position paper and updated [an investor briefing](#) on the Sustainable Finance Disclosure Regulation, explaining the reporting requirements and providing guidance on the identification of principal adverse impact.

US

Our work has focused on three major areas:

- establishing mandatory, standardised corporate ESG disclosures;
- supporting and protecting investors' rights to be active owners and utilise proxy advisory firms for impartial voting advice; and
- amending fiduciary duties to require consideration of ESG factors for lasting change.

We responded to proposed rulemaking by the Securities and Exchange Commission (SEC) and Department of Labor (DOL), including:

- [Management's Discussion and Analysis \(MD&A\)](#);
- [Adopt Listing Rules Related to Board Diversity](#);
- [Financial Factors in Selecting Plan Investments and Fiduciary Duties Regarding Proxy Voting and Shareholder Rights](#) (both were finalised in January 2021 and are now [under review](#) at the [order of the Biden administration](#)).

We also published several reports and briefings, including our [US Policy Priorities for 2021](#), in advance of President Biden's inauguration.

The Biden administration has worked quickly to address the health and economic crisis, with a focus on climate solutions and equity across federal agencies, presenting opportunities for responsible investment growth. We expect several sustainable finance policy developments across agencies and in Congress during the next fiscal year, as the US looks to recover from COVID-19 and progress on climate change.

CHINA

Our work has focused on:

- corporate ESG disclosure;
- responsible investment guidelines and regulations for asset owners and investment managers;
- climate policy recommendations that contribute to China's carbon neutrality goal.

Our consultation responses on [Listed Companies Information Disclosure Regulation](#) and [Guidelines on Investor Relations Management of Listed Companies](#) recommended that the China Securities Regulatory Commission develops a mandatory, standardised disclosure framework to provide investors with comparable, investment-grade ESG data, as this remains the biggest barrier for sustainable investment in China.

We also engaged regularly with Chinese policy makers and standard setters on the importance of stewardship, with discussions now underway on the introduction of China's first stewardship code.

UK

This year, we prioritised advancing regulation and guidance for actors throughout the investment chain on reporting against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. We responded to several consultations relating to TCFD for pension funds and listed issuers and helped organise a roundtable relating to the Financial Conduct Authority's TCFD proposals for investment firms. Several staff members also acted as secretariat for the PRA-FCA Climate Financial Risk Forum's Disclosure Working Group.

More broadly, we advocated for international harmonisation with the UK's approach to corporate reporting and its formulation of a green taxonomy, sharing insights from our [Taxonomy Practitioners Group](#).

We launched our first climate policy [briefing](#) in June 2020 and engaged with policy makers on real-economy climate policy and the role investors can play in supporting a green transition, particularly with respect to the transport sector.

JAPAN

This year we published our first [Sustainable finance policy briefing](#) on Japan's sustainable finance policy framework, as well as recommendations on further policy reforms to the national sustainable finance strategy, stewardship and corporate governance, ESG and climate disclosures, and asset owner regulations.

We have been engaging with financial and climate policy makers to support this work, including through letters to ministers and engagement on the G7 and G20 and Japan's role on multilateral policy reform.

OTHER JURISDICTIONS

We have responded to consultations and engaged with policy makers in Singapore, Australia, Canada, Hong Kong, South Africa, Russia, Peru, India and Israel, on sustainable taxonomies, ESG disclosure policies and ESG integration for pension funds, among others.

Our [policy toolkit](#), published with the World Bank, provides additional material we use when engaging with policy makers and regulators on sustainable finance policy reforms in markets where we do not have policy staff on the ground.

SUSTAINABLE RETIREMENT SYSTEMS

The design of private retirement systems often undermines the ability of plan boards and managers, acting on the behalf of workers and savers, to be responsible investors, active stewards and allocators of capital to economic activities with desirable social and environmental outcomes.

To address this, we have started building a [knowledge base](#) for policy makers, industry participants and academics to foster further debate about how retirement systems can be designed to deliver financial security for participants while not undermining healthy social and environmental outcomes.

This year we published reports examining the private retirement systems of [Australia](#), the [UK](#) and the [US](#), as well as a [paper](#) comparing the three markets. We will expand the research to analyse more countries and will further develop proposed interventions in collaboration with national and international partners, including policy makers, academics, and industry groups.





DRIVE MEANINGFUL DATA THROUGHOUT MARKETS

Good decisions need good data

DRIVE MEANINGFUL DATA THROUGHOUT MARKETS

10-YEAR BLUEPRINT COMMITMENTS:

- advocate for meaningful, forward-looking and globally comparable company disclosure and investor reporting;
- promote the inclusion of material ESG information alongside other financial data;
- encourage consolidation of reporting standards and regimes;
- seek to understand and overcome situations where available data is not being used effectively;
- develop the PRI Reporting Framework to measure the contribution that responsible investment makes to tangible ESG improvements in the real world;
- enhance the PRI Data Portal, empowering asset owners to assess investment managers' responsible investment activity.

Driving meaningful ESG data throughout markets is a key area of our 10-year Blueprint, to support signatories in considering their investment risks and returns, and to help them measure real-world outcomes.

To meet these commitments and help to make ESG data more consistent and comparable, we have continued to support efforts aimed at harmonising corporate ESG reporting in the interests of investor decision making, including engaging with the IFRS Foundation's [sustainability reporting proposal](#) and the European Union's Non-Financial Reporting Directive [review](#).

However, harmonising existing standards is only part of the overall pursuit of driving meaningful data for responsible investors. As markets are increasingly focused on the alignment or contribution of corporate and investor activity in meeting sustainability goals, the data required to make better investment decisions needs to be reexamined.

As a result, we published a [paper](#) assessing the basis of an end-to-end sustainability reporting system and have proposed a framework that incorporates financial materiality and performance linked to making progress on sustainability outcomes. We will take this work forward as part of the next three-year strategy.

DRIVING MEANINGFUL DATA IN OUR 2021-24 STRATEGY

Our work over the next three years will focus on contributing to the development of a global sustainability reporting system for investors and corporations. We will accelerate the inclusion of sustainability outcomes data alongside ESG risk/opportunity and financial data in our reporting and assessment (across asset classes and priority ESG issues) and externally with regulators, standard setters, and other investor initiatives.

We will:

- address overlaps and gaps in sustainability reporting to investors;
- support the development and uptake of harmonised and meaningful data on sustainability performance and outcomes.

KEY TARGETS

Asset owner signatories are using the PRI data portal: 78%

(PRI target: 75%)

COLLABORATION WITH THE WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD)

In August 2020, we announced a collaboration with the WBCSD to drive corporate-investor action on sustainability. We will aim to make this central to financial and strategic decision making by encouraging dialogue between investors and corporates, providing an opportunity for both to examine sustainability reporting developments and ensure their needs are reflected.

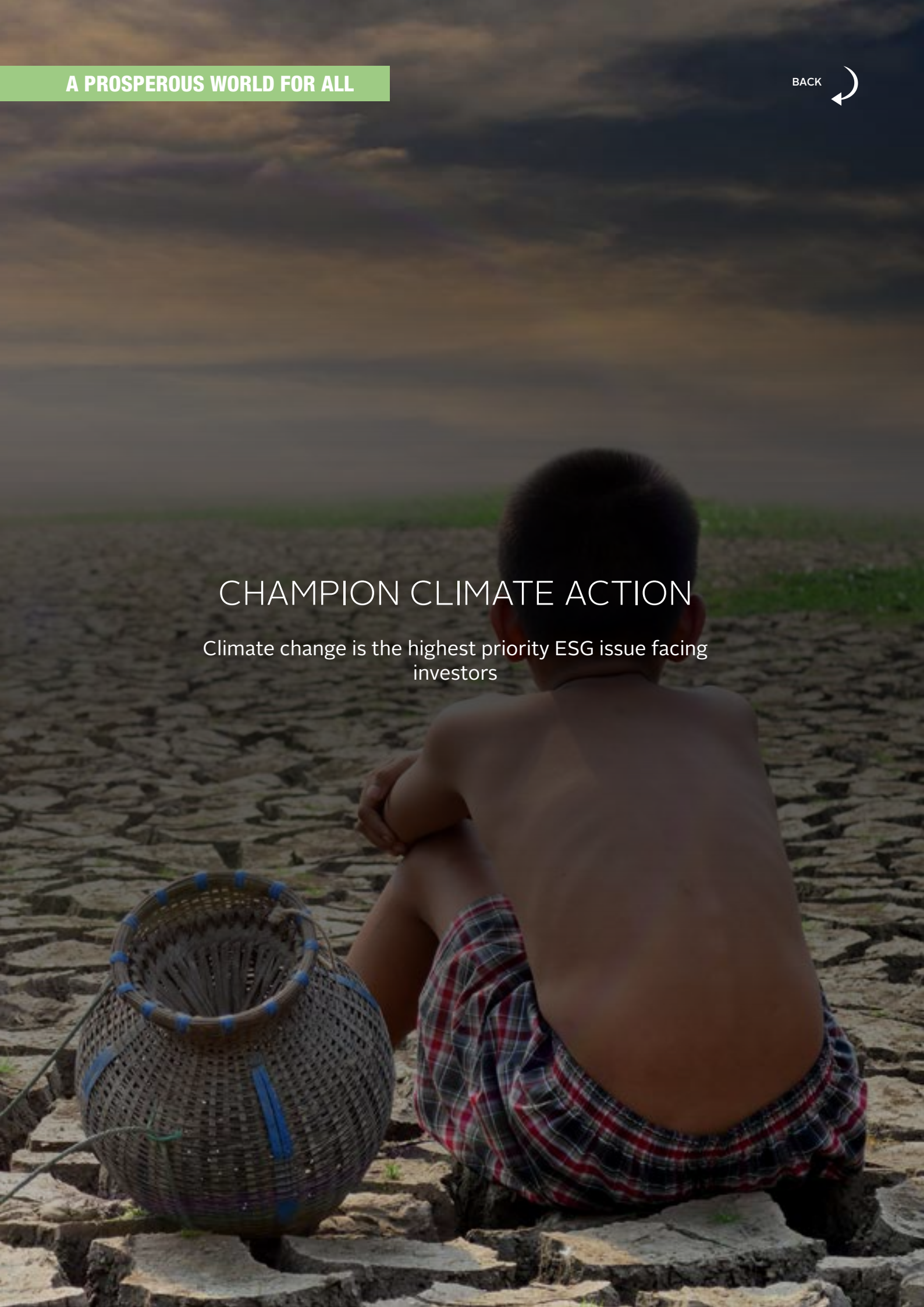
DEVELOPING THE REPORTING FRAMEWORK

The new PRI Reporting Framework includes several mandatory outcomes-focused questions that cover the processes signatories use to identify and understand the intended or unintended sustainability outcomes of their investment activities. This is linked to our work on [enabling real-world impact](#).



CHAMPION CLIMATE ACTION

Climate change is the highest priority ESG issue facing investors



CHAMPION CLIMATE ACTION

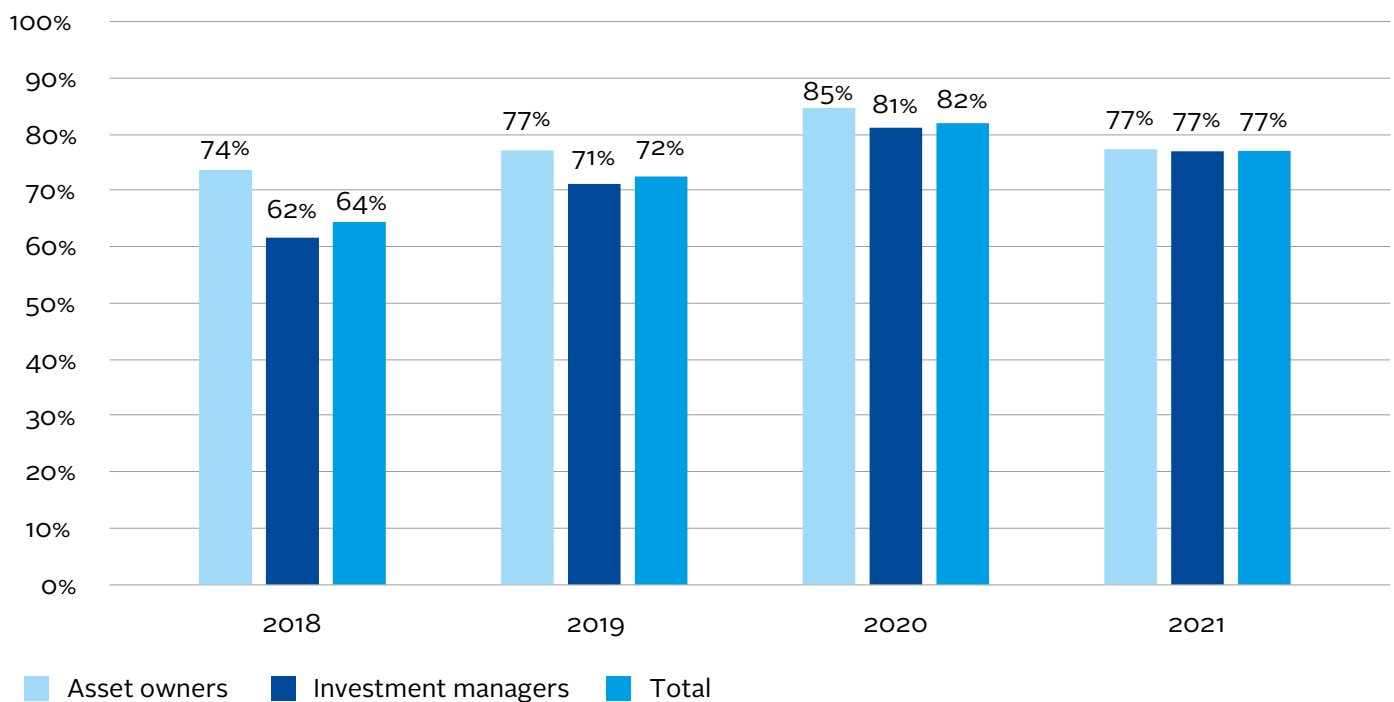
10-YEAR BLUEPRINT COMMITMENTS:

- work with our UN partners to meet the Paris Agreement;
- empower investors to assess how well-positioned companies, issuers and their portfolios are for a just transition to a low carbon economy;
- align the PRI Reporting Framework with the Financial Stability Board's Task Force on Climate-related Financial Disclosures;
- convene investor engagement with companies on climate risks and opportunities;
- encourage investors to make substantial allocations to clean assets and technologies;
- demonstrate the investment implications of national governments' climate change goals; and
- collaborate with policy makers to address the barriers investors face in scaling up clean investments.

This year we have focused on moving towards net-zero by encouraging investor action, corporate engagement and policy reform.

More than three-quarters of asset owners and investment managers reported explicitly factoring climate-related risks and opportunities into their investments this year.⁸

Signatories explicitly factoring climate-related risks and opportunities into their investments



More than 500 investors representing US\$50 trillion in assets have now signed up to [Climate Action 100+](#) to engage companies on governance reforms, set short-, medium-, and long-term net-zero targets and implement TCFD-aligned disclosure (for more detail see [Foster a community of active owners](#)).

We are supporting a UN global campaign, [Race to Zero](#), through the UN-convened [Net-Zero Asset Owner Alliance](#) (see [Empower asset owners](#)) and the [Net Zero Asset Managers Initiative](#) (see below). Race to Zero aligns net-zero commitments from a range of leading networks and initiatives across the climate action community.

COP26

We continue to engage with governments in the lead up to COP26 in Glasgow in November 2021, calling on parties to the Paris Agreement to set ambitious net-zero-aligned nationally determined contributions, with near-term including implementing domestic policies zero such as robust carbon pricing and decarbonisation roadmaps for energy-intensive sectors.



In addition, we have delivered an extensive programme of webinars and podcasts, including a collaborative [webinar series](#) with the London Stock Exchange Group to clarify what actions institutional investors can take to manage investment risk from climate and influence real-world outcomes.

Speakers included:

- Alok Sharma, COP26 President
- Mark Carney, Former Governor of the Bank of England and the UK Prime Minister's Finance Advisor for COP26
- Commissioner Rostin Behnam, US Commodity Futures Trading Commission
- David Blood, Co-Founder, Generation Asset Management
- Sanda Ojiambo, Chief Executive Officer and Executive Director, UN Global Compact
- Mindy Lubber, CEO & President, CERES



INTRODUCTORY GUIDE

We published a [guide](#) for asset owners on climate change as part of our [Introduction to responsible investment](#) series.



INEVITABLE POLICY RESPONSE

The IPR is a pioneering project seeking to support PRI signatories in understanding the implications of a delayed, forceful and disruptive transition, based on technology and policy drivers. It provides practical climate analysis and tools at the macroeconomic, regional, sector, and asset-class level, encouraging signatories to prepare and act now.

Building on the IPR Forecast Policy Scenario we commissioned from Vivid Economics and Energy Transition Advisors in 2019/20, this year's outputs have included investor guidance on [negative emission technologies and the importance of land use](#) and [strategic resilience testing and planning](#); [country-specific briefings on China and Japan](#); as well as reports looking at the IPR Forecast's implications for [forest](#) and [water](#) finance risks and opportunities.

A 1.5°C Forecast Policy Scenario paper is planned for release in late 2021.

KEEP UP-TO-DATE WITH THE LATEST FROM THE INEVITABLE POLICY RESPONSE PROGRAMME

⁸ Due to changes in the Reporting Framework methodology, this question differs from 2018/2019/2020. The drop in signatories reporting that they explicitly factor climate risks and opportunities into their investments is due to the proportion (29%) reporting for the first time in 2021. Of these, 64% said they do so.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD

Our TCFD activities this year included:

- supporting the Financial Stability Board's Task Force on Climate-related Financial Disclosures, including providing input on its forthcoming guidance on metrics and transition plans, and drafting a section in the status report to the FSB on investor climate reporting;
- advising government departments and financial regulators in UK, EU, Hong Kong, Canada, China and Japan on regulation related to company and investor climate disclosures;
- supporting the UK Climate Financial Risk Forum; and
- integrating TCFD-aligned indicator questions in the new PRI Reporting Framework.

NET ZERO ASSET MANAGERS INITIATIVE

The [Net Zero Asset Managers](#) initiative launched in December 2020 with 30 founding signatories representing US\$9 trillion in assets under management. It aims to galvanise the asset management industry to commit to a goal of net-zero emissions. Membership has since grown to 128 signatories with US\$43 trillion in assets under management, including BlackRock, Vanguard, and State Street Global Advisors.

KEEP UP-TO-DATE WITH THE LATEST FROM THE NET-ZERO ASSET MANAGERS INITIATIVE



THE INVESTOR AGENDA

We are a co-founder of the Investor Agenda, a collaborative initiative to accelerate and increase the investor actions that are critical to tackling climate change and achieving the goals of the Paris Agreement with the aim of keeping the average global temperature rise to no more than 1.5°C.

Highlights from the initiative this year include preparing the [Investor Climate Action Plans Expectations Ladder and Guidance](#), which sets out the actions investors can take to tackle the climate crisis and accelerate the transition to a net-zero economy, regardless of where they are on their climate change journey.

KEEP UP-TO-DATE WITH THE LATEST FROM THE INVESTOR AGENDA

KEY TARGETS

Signatories explicitly factoring climate-related risks and opportunities into investment strategies or products: 77%

(PRI target: 75%)

PRI signatories reporting on TCFD framework via PRI Reporting Framework: 100%

(PRI target: 50%)



ENABLE REAL-WORLD IMPACT

Driving sustainable development in line with the UN SDGs will
create a more prosperous world, to live in today and to pass
on tomorrow

ENABLE REAL-WORLD IMPACT

10-YEAR BLUEPRINT COMMITMENTS:

- work with our UN partners to deliver the SDGs;
- set out steps and develop tools for investors to align their investment activities with the SDGs;
- encourage investors to seek corporate responsibility enhancements that advance the SDGs;
- encourage capital towards projects with positive, real-world impact;
- introduce the SDGs into the PRI Reporting Framework;
- map our work against the SDGs, and report on our contribution towards them; and
- engage policy makers to encourage public policy that supports the SDGs.

SUSTAINABLE DEVELOPMENT GOALS

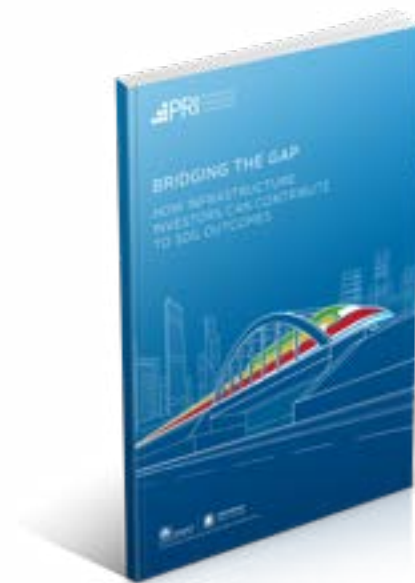
Building on the launch of our major report, [Investing with SDG outcomes: A five-part framework](#), which provides a high-level framework for investors looking to shape real-world outcomes in line with the Sustainable Development Goals, we have started publishing a series of [case studies](#) exploring how institutional investors understand and shape these outcomes in their investments.

We also explored the role that infrastructure investors can play in meeting the SDGs, publishing two reports:

- Are national infrastructure plans SDG-aligned, and how can investors play their part?
- Bridging the gap: how infrastructure investors can contribute to SDG outcomes



[READ THE REPORT HERE](#)



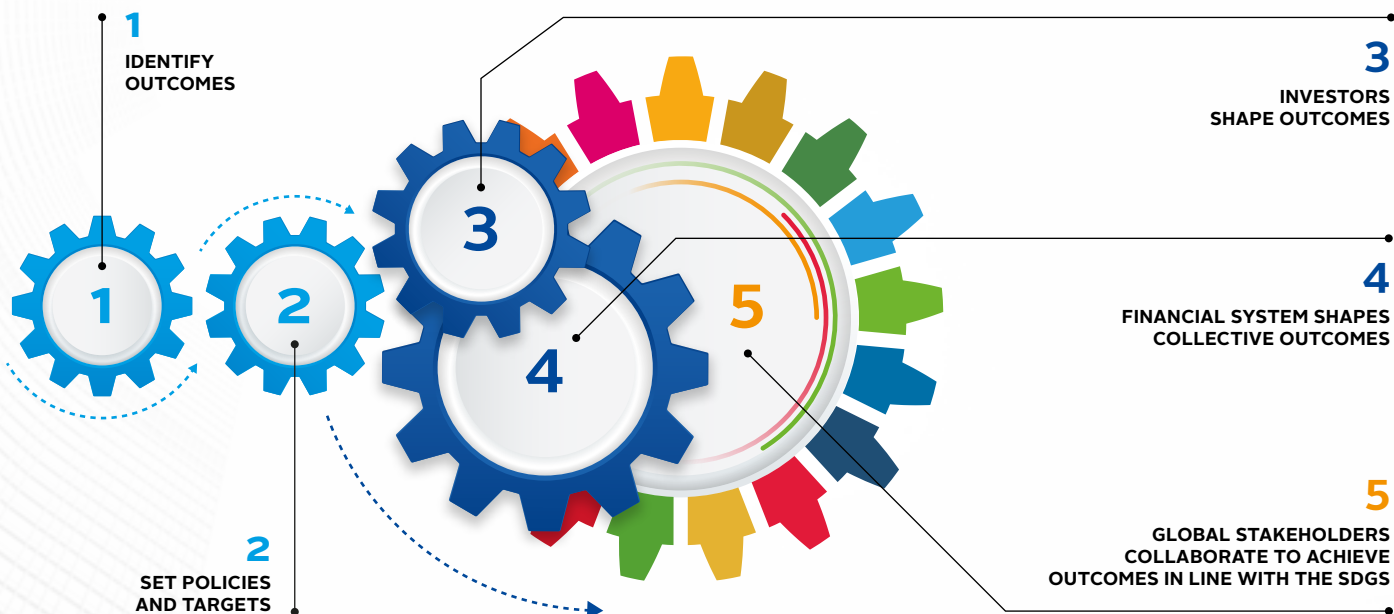
[READ THE REPORT HERE](#)

SUSTAINABILITY OUTCOMES IN THE REPORTING FRAMEWORK

We introduced mandatory questions in the new Reporting Framework, focusing on the organisation-wide guidelines and processes that signatories have in place to identify and set policies on sustainability outcomes. These are aligned with the first two steps of our SDG outcomes framework (see below), while signatories can answer additional

voluntary questions aligned with steps two to five, focusing on how they set and track progress against sustainability outcomes targets; use asset allocation or engagement to advance these outcomes, individually or in collaboration with other investors.

Five-part SDG outcomes framework for investors



HUMAN RIGHTS

Investors are increasingly expected to address human rights, driven not only by growing visibility and urgency around many human rights issues, but also by a better understanding of investors' role in shaping real-world outcomes, and of their responsibility to do so.

To help signatories to meet this responsibility, we published [Why and how investors should act on human rights](#). This will provide the foundation for a multi-year agenda to promote the understanding of human rights in investment processes and the broader financial system. We will:

- support institutional investors with their implementation of the UNGPs through knowledge-sharing, examples and other practical materials;
- increase accountability among signatories, by introducing human rights questions into the PRI Reporting Framework – initially on a voluntary basis;
- facilitate investor collaboration to address industry challenges to implementing respect for human rights;
- promote policy measures that enable investors and investees to manage human rights issues;
- drive meaningful data that allows investors to manage risks to people.

During 2021/22, we will take this work forward through a series of case studies and a collaborative engagement on human rights.



[READ THE REPORT HERE](#)

PRIORITY ESG ISSUES

We undertook work on several ESG issues that are linked to the SDGs, including biodiversity (see right), human rights (see above) and on issues linked to COVID-19 (see section on [COVID-19](#)).

BIODIVERSITY

Biodiversity loss is a systemic risk. As part of our broader environmental issues work, we published a [discussion paper](#), based on investor research and interviews, to outline some emerging approaches for integrating biodiversity into investment policies and strategies and encourage further discussion on developing these practices further.

REAL-WORLD OUTCOMES' ROLE IN OUR 2021-24 STRATEGY

Increasingly, our signatories are recognising that the real-world sustainability outcomes they contribute to shaping through their investment activities will feed back into the financial risks they face. For this reason, building a bridge between financial risk, opportunities and real-world outcomes is a key element of our 2021-24 strategy.

This year, we identified the priority ESG issues we will work on over the next three years, with an overarching focus on helping signatories understand how to integrate and measure outcomes, while remaining grounded in fiduciary duty and the broader role of investors in society. Among others, these include:

- Climate change mitigation
- Sustainable commodities
- Tax fairness
- Human rights
- Diversity, equity and inclusion
- Decent work

We prioritised these issues based on their significance and scale, the scope for institutional investors to make a difference and the opportunity for the PRI to add value, including through partnerships with other organisations.



[SEE THE PRI 2021-24 STRATEGY FOR MORE DETAIL](#)

ENHANCE OUR DIGITAL CAPACITY



COMMUNICATIONS

We have made greater use of digital communications as part of our response to operating amidst COVID-19, and have seen strong growth in followers, views and downloads across our website, digital and social channels.

SOCIAL MEDIA

We increased our presence across all social media channels. LinkedIn followers grew by 99%, from 22,541 to 44,769, while our Twitter followers increased by 20%, from 20,300 to 24,363. We also grew our Chinese-language WeChat channel to 1,500+ followers and launched an Instagram account to showcase our internal culture and people.

PRI BLOG AND PODCAST CHANNEL

We had almost 50,000 podcast downloads – a 222% increase from 2019/20 – reflecting the growing popularity of audio content seen more widely in the market, particularly during the pandemic.

Notable speakers included Gail Whiteman, Professor of Sustainability, University of Exeter and Founder, Arctic Basecamp; Peter Bakker, President and CEO, World Business Council for Sustainable Development and Dr. Bronwyn King AO, Founder, Director and CEO of Tobacco-Free Portfolios.

The PRI blog has gone from strength to strength since it was first launched in 2019, with staff and partners using it to highlight PRI reports and respond to topical events, media moments and responsible investment trends. The most-read blog posts over the period were [Empowering asset owners to put responsible investment at the core of their manager relationships](#) (5,785 views), [Seven major companies that committed to net-zero emissions in 2019](#) (4,503) and [COVID-19 accelerates ESG trends, global investors confirm](#) (3,580).

Follow us:



BLOG POST VIEWS

130,000

UP FROM 58,902 IN 2019/20

ALL-SIGNATORY NEWSLETTER RECIPIENTS

JUST UNDER 11,500

UP FROM C.10,000 IN 2019/20

WEBSITE VISITS

3,667,030

UP FROM 2,458,801 IN 2019/20

PRESS

In 2020/21, we were referenced in more than 31,539 articles globally. There were substantive press mentions in over 3,418 articles, including coverage in over 710 Tier 1 media outlets, up from 1,900 and 450 in 2019/20 respectively.

Bloomberg, 15 June 2020

[Investors Must Consider Climate, Social Equity, Not Just Returns](#)

The Sunday Times, Raconteur, 9 August 2020

Op-ed by Fiona Reynolds: [It is critical that we focus on the climate emergency alongside the ambition of economic recovery](#)

Politico, 19 August 2020

[UN investor group targets Congress, US regulators for climate action](#)

Fortune, 10 September 2020

Op-ed by Fiona Reynolds: [To fight systemic racism, the investment industry needs to look at its whiteness first](#)

Barron's, 22 October 2020

[Human Rights Is the Next Frontier of Sustainable Investing](#)

Financial Times, 28 October 2020

[Carbon removal sector heats up](#)

L'Agefi (Asset News), 11 December 2020

[PRI launches redesigned reporting framework for investors](#)

EurActiv, 27 Jan 2021

Op-ed by Nathan Fabian: [How the EU taxonomy can be the tool for dynamic climate transition](#)

Bloomberg, 25 March 2021

[G7 Coordination seen as missing piece for sustainable finance](#)

IT

We have re-launched the Collaboration Platform (see [Foster a community of active owners](#)), making several enhancements to improve the signatory experience in membership, messaging, members' subspaces and shareholder resolution declaration.

Internally, in response to the pandemic, we pivoted from an in-office and in-person support model to enabling everyone to work from home via remote systems and support. We have also automated and streamlined many manual tasks and processes, giving staff more time to focus on supporting our signatories.

KEY TARGETS

Number of PRI website page views: 49% increase

(PRI target: 20%)

Increase in number of followers on key social media channels: 99% (LinkedIn) and 20% (Twitter)

(PRI target: 20%)

Number of articles with substantive PRI mention: 80% increase

(PRI target: 20%)

ENHANCE OUR GLOBAL FOOTPRINT



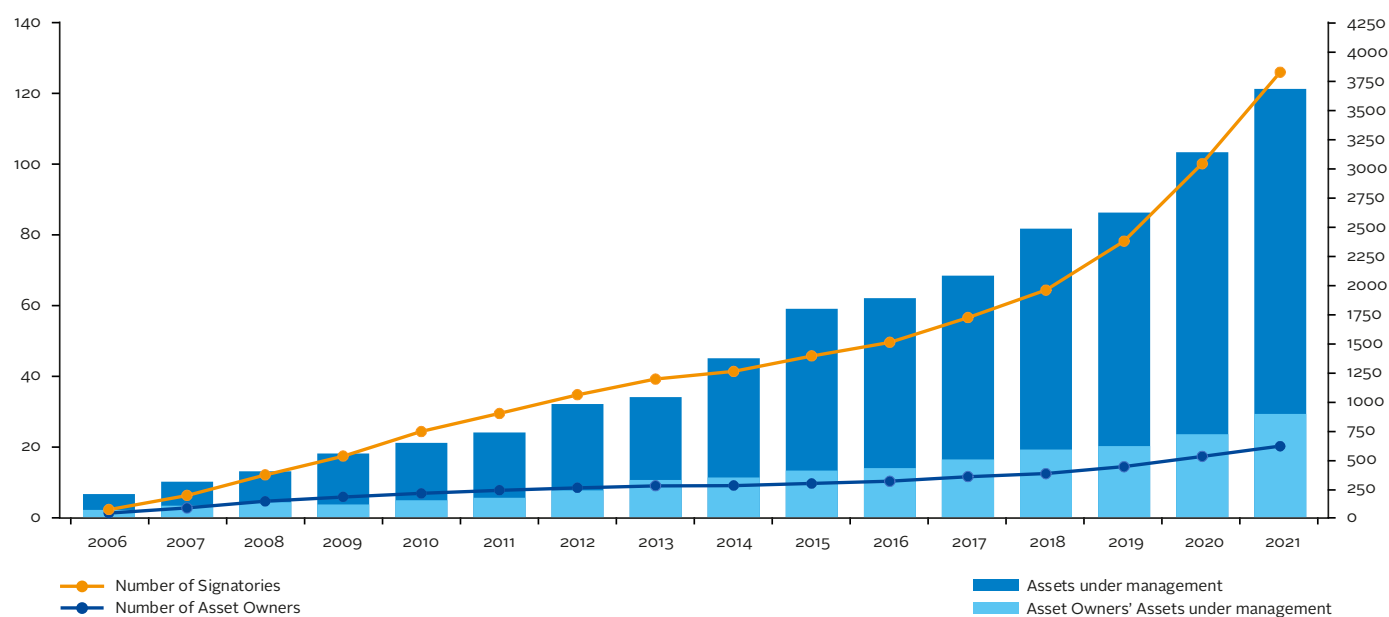
The number of PRI investor signatories increased by 26%, from 2701 to 3404, over the last year.

The collective AUM represented by all 3826 PRI signatories (3404 investors and 422 service providers) increased by 17% over the period, from US\$103.4 trillion to just over US\$121 trillion as of 31 March 2021.

PRI signatory growth in 2020 - 2021

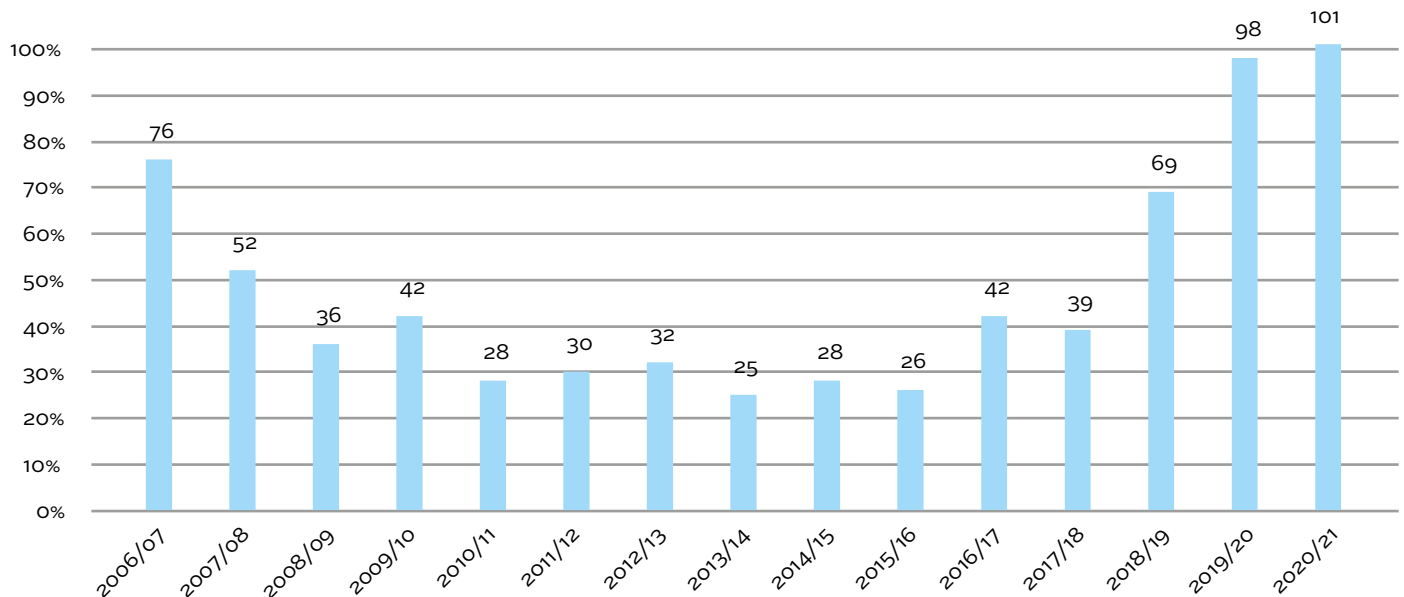
Assets under management (US\$ trillion)

N° Signatories



ASSET OWNER GROWTH

Asset owner growth (gross)

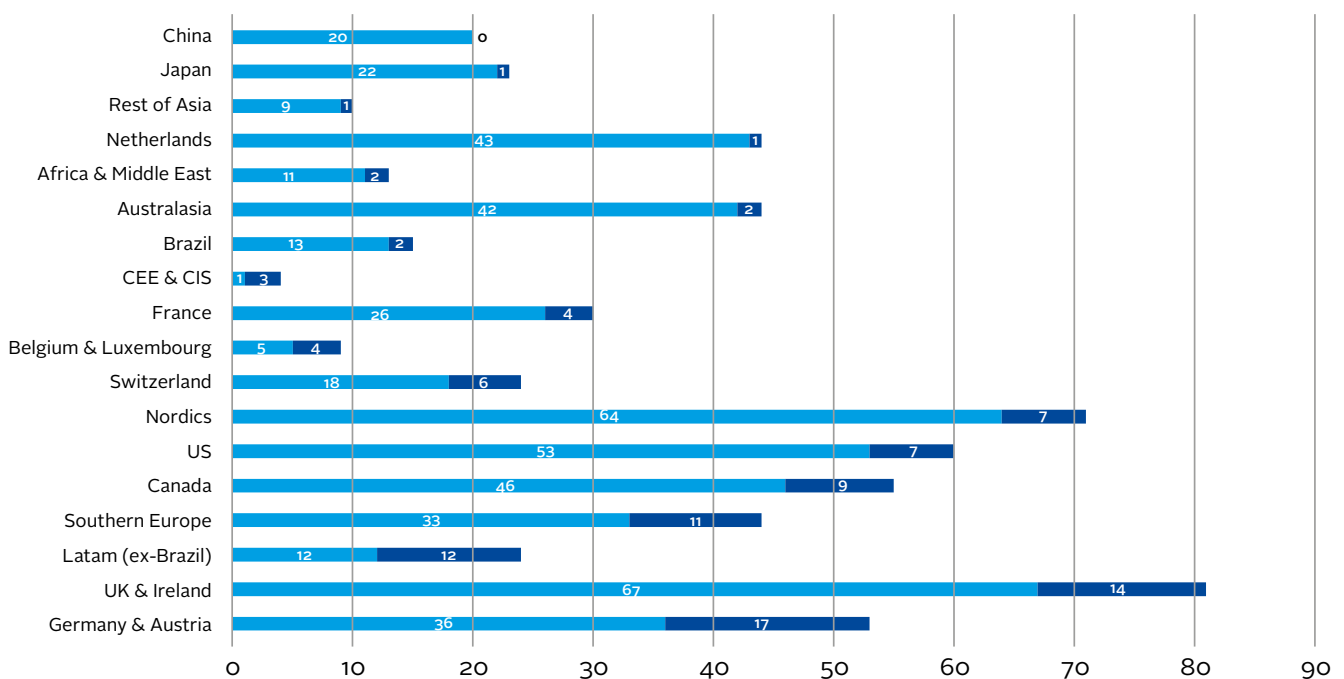


Reflecting our continued focus on influencing the top of the investment chain, the number of asset owner signatories increased by 17% to reach 609, up from 521, and representing the most recruited in a single year.

MassMutual, The Dai-ichi Frontier Life Insurance Co, Alameda County Treasurer-Tax Collector and the Credit Suisse Group pension fund were among those to sign up to the Principles, with the cohort representing US\$2.8 trillion in AUM.

While our asset owner base was previously dominated by public pension funds, it has in recent years diversified, as recruitment of endowments, foundations, corporate pensions and insurance companies has grown. The latter group – made up of 132 signatories – now represents 60% of asset owner AuM.

New asset owner signatories gross (2020 – 21)



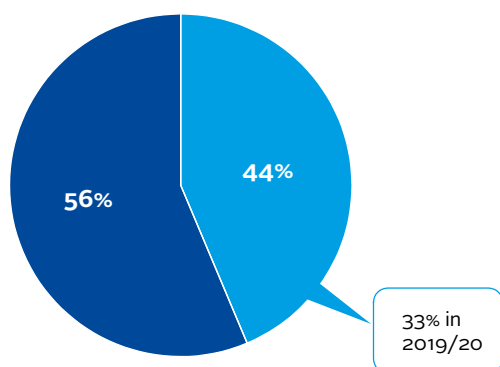
■ Total asset owners 31 March 2020 ■ New asset owners 2020/21

REGIONAL GROWTH

Latin America (77%) and China (46%) were among our fastest growing markets for signatories overall this year. This is consistent with our core aim of driving signatory growth in emerging markets, driven by the need to support efforts such as achieving the SDGs and enabling a just climate transition, which will only succeed if they involve signatories, companies and society in all markets.

Pro-active signatory relationship management

% of signatory base met *



■ Met ■ Not met

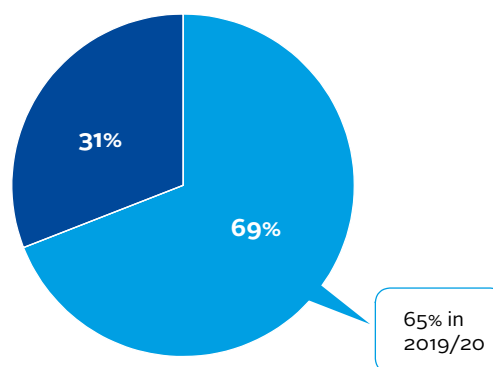
* includes signatory meetings and introductory calls

Connecting with and supporting signatories through locally based staff has also become increasingly important, particularly in light of COVID-19. We hired local signatory relationship managers in Switzerland and Luxembourg to ensure we could work closely with the growing number of signatories there and expanded our Nordics coverage by hiring a co-head based in Stockholm dedicated to signatories in Sweden and Norway.⁹

SIGNATORY SERVICING

This year our signatory relationship managers conducted one-to-one meetings with nearly 1700 signatories – representing 44% of the signatory base, up from 33% in the prior year (see chart below). We had to adapt our signatory servicing approach as a result of COVID-19, with video conferencing and our quarterly communications materials taking on greater importance.

% of AUM held by signatories we met *



KEY TARGETS

Signatories per relationship manager: 154

(PRI target: 100)

Membership share among US asset owners: 14%

(PRI target: 35%)

Membership share among Apac asset owners: 43%

(PRI target: 35%)

Membership share among largest asset owners: 41%

(PRI target: 35%)

Signatory review meetings with overall signatory base: 36%

(PRI target: 33%)

Signatory review meetings with asset owners: 60%

(PRI target: 80%)

⁹ These markets were previously covered from another location



DEVELOP OUR STAFF

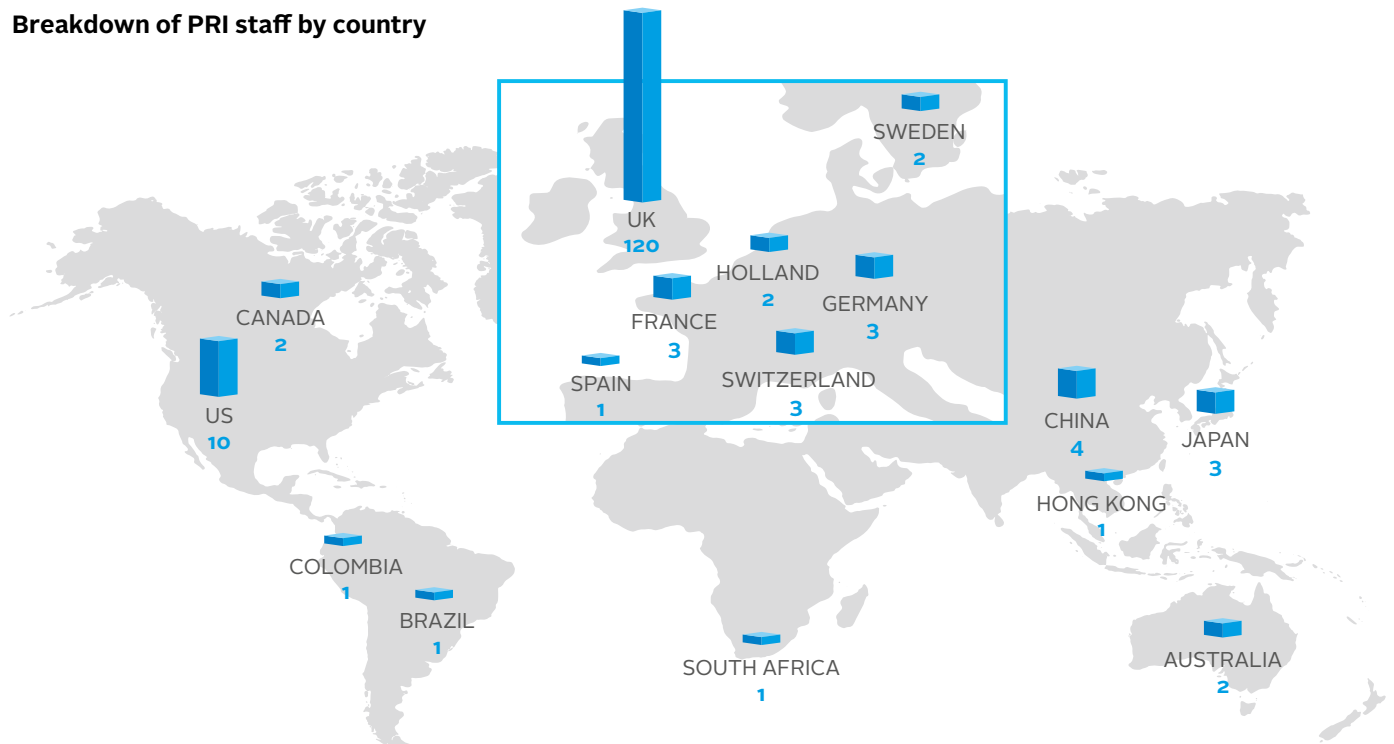


The PRI commits to:

- ensuring that all individuals who interact 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.

As of 31 March 2021, we had 161 staff based in 16 countries.

Breakdown of PRI staff by country



ADJUSTING TO WORK DURING COVID-19

Our major focus in supporting staff this year has been on ensuring wellbeing during the pandemic. We have had to adjust our working practices, policies and guidelines in response to COVID-19 and have implemented a host of programmes and resources emphasising mental health and resilience. These included:

- webinars delivering advice on financial health, mental health for managers and employees, and dealing with change;
- virtual social activities;
- virtual health and fitness classes;
- online courses providing personal development opportunities across a range of topics; and
- compulsory mental health days.

The impacts of working through a global pandemic have been and will continue to be profound, including the need to accommodate a far higher degree of flexibility in how, when and where people choose to work. This, coupled with a sustained period of growth and greater globalisation, will require a change in our ways of working.

We will need to:

- strengthen remote management;
- improve cross-organisation and intra-team communication practices;
- identify how and when to collaborate;
- realign HR processes, such as recruitment and onboarding;
- protect the strong and cohesive culture that we know motivates people to work for the PRI.

We have started to lay the groundwork for a broader shift in the way we will work in the future.

LONDON OFFICE REFURBISHMENT


This year we completed the refurbishment of our London headquarters, extending the space over two floors and redesigning it to create a more engaging and collaborative working environment. We received a [Ska gold rating](#) for the fit-out – the highest standard available – reflecting the sustainability criteria used. Ska is an environmental labelling method that rates 104 good practice measures across energy and CO₂, waste, water, pollution, transport, materials and wellbeing.

DIVERSITY AND INCLUSION

We are committed to continually improving our diversity – to align with our mission and to benefit our organisational effectiveness – across race, gender and gender identity, religion, sexual orientation, disability, age, socio-economic background, culture and ways of thinking.


In March 2021 we appointed Business in the Community to review our diversity, equity and inclusion practices. BITC will conduct interviews, focus groups, data analysis and a review of our policies and processes, to help us identify where we can make significant improvements within our recruitment and selection practices, retention, data/benchmarking and culture.

KEY TARGETS



Staff engagement survey score: 78%

(PRI target: 75%)



Gender ratio: 59:41 (F: M)

(PRI target: 50:50)



FINANCIAL STATEMENTS



FINANCIAL REPORT¹⁰

INCOME

Between 1 April 2020 and 31 March 2021, total income grew to £21.5 million, up from £18.0 million in 2019/20.

| | ACTUAL 2019/20 (£000S) | ACTUAL 2020/21 (£000S) | BUDGET 2021/22 (£000S) |
|------------------------------|---------------------------|---------------------------|---------------------------|
| Membership fees | 14,149 | 17,310 | 20,265 |
| Grants, donations, other* | 1,879 | 3,214 | 3,024 |
| PRI in Person income surplus | 1,231 | -231 | - |
| PRI Academy | 737 | 1,213 | 1,000 |
| Total Income | 17,996 | 21,506 | 24,288 |

* Projects funded through grants, donations and other income included: A Legal Framework for Impact, Climate Action 100+, TCFD, IASB opinion on climate change, The Investor Agenda, The Inevitable Policy Response, EU sustainable finance, Transition Pathway Initiative, and the UN-convened Net-Zero Asset Owner Alliance.

¹⁰ All 2020/21 figures are draft.

SIGNATORY FEES

All signatories pay annual fees, based on their total assets under management or, for service providers, number of employees. In 2020/21, income from new and existing signatories came to £17.3 million, up from £14.1 million in 2019/20.

FEE DISCOUNTS

Asset owners headquartered in a country classified by the IMF as an emerging market or developing economy are entitled¹¹ to apply for a fee discount. We will bill service providers based on only their investment staff, where that service provider has distinct divisions that provide distinct services. If one of those divisions provides a service that is not relevant to investors (and therefore the Principles), this division will be excluded from the fee calculation.

| Account Name | HQ COUNTRY | SIGNATORY CATEGORY |
|---|--------------------|--------------------|
| AFAP SURA | Uruguay | Asset Owner |
| Afore Profuturo | Mexico | Asset Owner |
| Afore Sura | Mexico | Asset Owner |
| Afore XXI Banorte | Mexico | Asset Owner |
| AFP Capital | Chile | Asset Owner |
| AFP Crecer | Dominican Republic | Asset Owner |
| AFP INTEGRA | Peru | Asset Owner |
| AFP PlanVital. Una compañía GENERALI | Chile | Asset Owner |
| AFP Provida | Chile | Asset Owner |
| BBVA Bancomer, Fondos de Pensiones | Mexico | Asset Owner |
| Brasilprev Seguros e Previdência | Brazil | Asset Owner |
| Citibanamex Afore | Mexico | Asset Owner |
| Cuprum afp | Chile | Asset Owner |
| Economus | Brazil | Asset Owner |
| Employees Provident Fund | Malaysia | Asset Owner |
| FAPES | Brazil | Asset Owner |
| Fondo de Ahorro de Panamá | Panama | Asset Owner |
| Fondo Nacional de Infraestructura | Mexico | Asset Owner |
| Fundação Atlântico de Seguridade Social | Brazil | Asset Owner |
| FUNDACION WWB COLOMBIA | Colombia | Asset Owner |
| Government Employees Pension Fund of South Africa | South Africa | Asset Owner |
| Government Pension Fund of Thailand | Thailand | Asset Owner |
| Infraprev | Brazil | Asset Owner |
| Inovar Previdência | Brazil | Asset Owner |
| Khazanah Nasional Berhad | Malaysia | Asset Owner |
| LA Retirement Fund | South Africa | Asset Owner |
| Momentum Metropolitan Life | South Africa | Asset Owner |
| NÉOS – Previdência Complementar | Brazil | Asset Owner |

¹¹ See IMF's World Economic Outlook 2016 (Statistical Appendix, p.209) for a full list of eligible countries.

FEE DISCOUNTS CONTINUED

| Account Name | HQ COUNTRY | SIGNATORY CATEGORY |
|--|--------------|--------------------|
| Old Mutual | South Africa | Asset Owner |
| OPC CCSS | Costa Rica | Asset Owner |
| Pacífico Compañía de Seguros y Reaseguros | Peru | Asset Owner |
| Porvenir | Colombia | Asset Owner |
| PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil | Brazil | Asset Owner |
| Proteccion | Colombia | Asset Owner |
| Real Grandeza | Brazil | Asset Owner |
| Retirement Fund (Incorporated) (KWAP) | Malaysia | Asset Owner |
| SANLAM LIFE INSURANCE | South Africa | Asset Owner |
| Skandia Administradora de Fondos de Pensiones y Cesantías | Colombia | Asset Owner |
| The Consolidated Retirement Fund for Local Government | South Africa | Asset Owner |
| Unión Capital AFAP | Uruguay | Asset Owner |
| Valia | Brazil | Asset Owner |
| Vivest | Brazil | Asset Owner |
| Vivir Seguros | Peru | Asset Owner |

EXPENDITURE

Between 1 April 2020 and 31 March 2021, total expenditure excluding PRI in Person grew to £18.5 million, up from £16.1 million in 2019/20.

| | ACTUAL 2019/20 (£000S) | ACTUAL ¹² 2020/21 (£000S) | BUDGET 2021/22 (£000S) |
|---|---------------------------|---|---------------------------|
| Staff costs (incl networks, recruitment, training & development) | 9,501 | 11,093 | 15,718 |
| Bought-in services, consulting and research** | 2,773 | 3,984 | 4,109 |
| Travel expenses | 941 | 12 | 159 |
| Premises costs | 654 | 1,033 | 1,050 |
| IT costs and telephone | 1,054 | 1,022 | 1,600 |
| Events, meetings, conferences & hospitality | 352 | 189 | 572 |
| Legal & professional services | 252 | 257 | 221 |
| Subscriptions, reports & printing | 166 | 149 | 171 |
| Academy commissions & marketing | 7 | 9 | 9 |
| Contribution to UNEP FI | 200 | 110 | 111 |
| Other expenditure (Insurance, postage, office supplies, bank charges) | 219 | 668 | 286 |
| Total (PRI in Person expenditure not included) | 16,119 | 18,525 | 24,007 |

** Significant bought-in services, consulting and research include: London School of Economics (TPI), Contrast Capital (Reporting Framework Indicators), Clean Return (IPR Outreach Programme), Vivid Economics (Policy Roadmap), Chronos Intelligent Sustainability ((Driving Meaningful Data, multilaterals work including the Policy toolkit), Freshfields (LFI and EU Policy intelligence). Total cost increased to £4 million, up from £2.8 million in 2019/20.

EXPENDITURE BY AREA

| | ACTUAL 2019/20 (£000S) | ACTUAL 2020/21 (£000S) | BUDGET 2021/22 (£000S) |
|------------------------------|---------------------------|---------------------------|---------------------------|
| Management and Operations | 3,531 | 3,905 | 5,111 |
| Global outreach and networks | 3,059 | 3,168 | 4,017 |
| Communications and Events | 1,457 | 1,793 | 2,419 |
| Content team | 3,402 | 3,099 | 5,115 |
| Reporting and Assessment | 1,065 | 1,624 | 1,533 |
| Premises costs | 654 | 1,033 | 1,050 |
| Grants, other | 1,761 | 2,579 | 2,394 |
| UN Asset Owner Alliance | | 191 | 890 |
| PRI Academy | 389 | 458 | 738 |
| Partnerships | 184 | 142 | 190 |
| Consulting and research | 616 | 533 | 550 |
| Total | 16,119 | 18,525 | 24,007 |

NUMBER OF STAFF BY DEPARTMENT

| | MARCH 2020 | MARCH 2021 | FORECAST MARCH 2022 |
|------------------------------|------------|------------|---------------------|
| Content team | 54 | 65 | 83 |
| Reporting and Assessment | 11 | 14 | 16 |
| Global outreach and networks | 32 | 33 | 45 |
| Management and Operations | 25 | 26 | 35 |
| PRI Academy | 2 | 5 | 6 |
| Communications and Events | 15 | 18 | 26 |
| Total | 139 | 161 | 210 |

CASH RESERVES

Cash increased to £11.8 million at the end of the year, up from £8 million at the end of 2019/20. This included receiving restricted funds (£2.9 million) and sponsorship fees from PRI Tokyo (£1.6 million).

CORPORATE STRUCTURE

The PRI group comprises seven entities, with PRI Association being the ultimate holding company. Signatory fees are collected by PRI Association and disbursed across the group. Entities are established where there is a specific operating or regulatory requirement.

PRI Enterprises is the home of the PRI Academy and is primarily funded by course fees.

OPERATING SURPLUS

After taking into account interest receivable, depreciation and tax, we achieved a surplus of £2.6 million, up from £1.8 million for 2019/20.

BOARD REPORT



THE PRI BOARD

CHAIR



Martin Skancke
Chair, PRI
[Appointed until 2023](#)
INDEPENDENT

DIRECTORS ELECTED BY ASSET OWNERS



Angela Emslie
Independent
Member, Impact
Committee HESTA
Super fund
[Elected until 2021](#)
AUSTRALIA



Eva Halvarsson
Chief Executive
Officer, Second
Swedish National
Pension Fund (AP2)
[Elected until 2022](#)
SWEDEN



Hiro Mizuno
Investment
committee member,
Tokyo University
[Elected until 2022](#)
JAPAN



Renosi Mokate,
Chairperson of the
Board of Trustees,
Government
Employees Pension
Fund (GEPPF)
[Elected until 2023](#)
SOUTH AFRICA



Laetitia Tankwe
Advisor to the
president of the
board of trustees,
Ircantec
[Elected until 2021](#)
FRANCE



Xander den Uyl
Trustee, ABP
[Elected until 2021](#)
THE NETHERLANDS



Sharon Hendricks
Chair of the Board,
CalSTRS
[Elected until 2021](#)
US

DIRECTORS ELECTED BY NON-ASSET OWNERS



Wendy Cromwell
Vice Chair,
Wellington
Management
[Elected until 2021](#)
US



Tycho Sneyers
Managing Partner,
LGT Capital Partners
[Elected until 2023](#)
SWITZERLAND



Michael Jantzi
CEO of
Sustainalytics
[Elected until 2022](#)
NETHERLANDS

PERMANENT UN ADVISORS

UNGC



Sanda Ojiambo
CEO & Executive
Director UN Global
CompactUNHQ
NEW YORK

UNEP



Eric Usher
Head, UNEP FI
SWITZERLAND

LEARN MORE ABOUT THE PRI BOARD

INTRODUCTION FROM THE CHAIR

The board remains focused on realising the ambitions of the PRI's Blueprint for responsible investment and providing value to all signatories. Despite a tumultuous year, with the Covid-19 pandemic, the PRI has proved resilient and signatory engagement and interest has grown.

The board met for eleven virtual meetings. These shorter meetings meant that key discussions were often broken down and discussed over a series of meetings. There were three key ongoing discussions throughout the year:

- **Covid-19 and organisational resilience.** The board was regularly kept informed of the organisational response to Covid-19. The Executive put in place measures to support flexible working as well as supporting the health and well-being of staff during the pandemic. The board considered several possible scenarios on the possible financial impact of Covid-19 and agreed a conservative approach to the budget, reviewing and adjusting regularly. The organisation proved to be resilient throughout the pandemic, with high levels of reporting in 2020, good signatory retention, and better than expected signatory recruitment. Most importantly, within the broader context of an increase in interest in ESG and broader sustainability during the pandemic, there was a notable increase in signatory participation in virtual PRI events and activities.
- **2021-24 strategy.** An important discussion for the board was the signatory feedback on the strategy consultation paper. Signatories overall were generally very supportive of the strategy. Signatories support the core of the PRI's work, providing resources and support for ESG incorporation. This provides value for signatories. Signatories have also been calling for support from the PRI on the SDGs and outcomes.

However, for a lot of engaged signatories, we learnt that we needed to provide more context for the strategy, and insight into how the board was thinking about the PRI's direction, above and beyond the key initiatives that we plan to deliver in this strategy period. The board aimed to rectify this through a more in depth strategic plan. Also, there were reservations about a new purpose statement. The intention was to draft more of an 'elevator pitch', but the board understands the signatory feedback. The board has committed to a future conversation with signatories on the PRI mission and purpose. The board believes now is a good time to review the mission statement with signatories as an opportunity to engage with signatories, have a more structured discussion on these issues, and strengthen a shared vision. The board will communicate further with signatories about the scope and timing of this conversation.



MARTIN SKANCHE
Chair

Thank you to all signatories that participated in the consultation. The PRI is a signatory based organisation and we need to be guided by you in the context of the Principles and the PRI mission.

- **Reporting and Assessment framework pilot.** Throughout the year the board received updates on the new Reporting and Assessment framework, including development of the 'content' (questions and structure), signatory focus group feedback on the content, the reporting tool infrastructure, and signatory communications.

Regrettably the Reporting and Assessment framework pilot did not proceed as planned. The board plans to oversee a thorough review of the implementation of the pilot and put steps in place to ensure that the 2021 transparency reports and assessments are delivered as well as the successful launch and execution of the next reporting period in early 2023.

In January 2021 the board welcomed for further terms two re-elected directors, Renosi Mokate (GEPF) and Tycho Sneyers (LGT Capital Partners). In July 2021 Takeshi Kimura, Special Adviser to the Board, Nippon Life Insurance Company, was elected as a board director by asset owner signatories in a mid-term election. Takeshi replaced Hiro Mizuno (University of Tokyo), who stood down from the board in March 2021. I would like to thank Hiro for his valuable input and dedication over the past four years. The PRI will no doubt continue to work with Hiro as part of his UN Special Envoy role.

The 2021 PRI Board annual election is for four asset owner and one investment manager representative position. The PRI Board is encouraging candidates: with governance skills and senior leadership experience; and with demonstrated leadership in responsible investment. In addition to the above, for the asset owner positions, the PRI Board is encouraging candidates from asset owner signatories (with their HQ) in North America and Australasia. Geographical diversity is one critical component of effective debate and decision-making. The PRI is a global organisation, and aims for global representation on its board, particularly within the asset owner positions.

Signatory participation in the signatory voting in October and November is important. The PRI is a membership organisation and to continue to thrive we need to engage signatories with relevant work and activities, and signatories need to keep engaged and active in our governance. The PRI will be asking signatories to elect five directors, approve the SGM minutes, confirm the appointment of the auditor and vote to receive the PRI Annual Report and Accounts.

Lastly, I wanted to thank Fiona Reynolds for her dedication to the PRI over the past nine years. In Fiona's tenure as CEO of the PRI, she has led the growth in scope and reach of the organisation to investors, policy makers, and other stakeholders around the world. In turn, with tremendous commitment, energy and experience, Fiona has also contributed personally to the growth of responsible investing more broadly. We are very sorry to see Fiona step down as CEO, but fully understand her personal wish to be home in Australia with family.

The board is responsible for the appointment of the next CEO and has established an ad hoc committee of board directors to support the board in the search process. The aim is to have the CEO in position towards the beginning of 2022 and obviously have a seamless transition.

I encourage you to read the full PRI [Board report](#). The report is an overview of the work undertaken by the board over the past year, how we work together and with the Executive. The report includes our focus on organisational purpose; the leadership of the Board; integrity measures; decision-making processes, risks, and controls; actions to improve our effectiveness; how we are thinking about board diversity and communicating this to signatories; and our efforts to be open and accountable to signatories.

If you would like to discuss any aspect of the PRI's governance with me, please feel free to email me at governance@unpri.org.

Martin Skancke
Chair, PRI Board

SIGNATORY GENERAL MEETING

The 2021 Signatory General Meeting (SGM) will be virtual. To accommodate the PRI's global signatory base there will be two SGMs held on 23 September 2021, 08:00-09:30 BST and 17:00-18:30 BST.

AGENDA

- **PRI Board report** | Martin Skancke, Chair, PRI Board
- **Management and financial report** | Fiona Reynolds, CEO, PRI
- **Spotlight - Climate** | Sagarika Chatterjee, Director of Climate, PRI
- **Spotlight - Stewardship** | Paul Chandler, Director of Stewardship, PRI
- **Q&A** | Martin Skancke, Chair and Fiona Reynolds, CEO, PRI
- **Signatory voting and PRI board director elections** | Martin Skancke, Chair, PRI Board

The PRI wants to encourage an active dialogue between signatories and the board. The SGM, the annual general meeting of signatories, is an important forum for communication between the board and signatories. It is an opportunity for the board to report to signatories on the PRI's strategy and its implementation; the work undertaken by the board and its committees; forthcoming board elections; formal consultations and any other business.

The PRI sought input from signatories on the SGM draft agenda in July 2021 and invited signatories to contribute agenda items and resolutions to be put to a vote. No agenda items or resolutions were received by the deadline of 23 July.

We have allocated time in the meeting for signatory questions. Signatories are asked to submit questions in advance, particularly detailed financial or legal questions, by email to governance@unpri.org by 16 September. Alternatively, signatories can post questions live during the meeting. For more information on the virtual SGM, how to participate and submit questions in advance, [click here](#).

[READ THE FULL BOARD REPORT](#)



IN-HOUSE SUSTAINABILITY



Most of our impact is positive and happens indirectly via the work that we do to help our 3742 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 the way we choose to operate as an organisation can have direct impacts, and we try to manage these wherever possible.





ENVIRONMENTAL

We continue to monitor, manage and reduce our impact on the environment through transport, waste, consumption of natural resources, energy use and procurement.

We received a Ska gold rating for the refurbishment of our London office – the highest standard available – reflecting the sustainability criteria used. Ska is an environmental labelling method that rates 104 good practice measures across energy and CO₂, waste, water, pollution, transport, materials and wellbeing.

We aim to source goods and services from independent, neighbourhood suppliers whenever possible to reduce our carbon footprint.

Staff benefits are tailored to be consistent with our beliefs. For example, to encourage environmentally sustainable transport amongst staff, car and mileage allowances are not provided, but the UK government's cycle-to-work scheme is.



SOCIAL

We work with the [Brokerage Citylink](#) charity to create 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 JP Morgan Chase Corporate Challenge.

We are proud to be an accredited Living Wage Employer, including in our employment of contracted service staff and interns. We never use unpaid internships.

All new parents at the PRI can enjoy equal parental leave benefits regardless of gender or sexuality, going beyond the legal minimum standards.

We invest in the training and development of our staff and are committed to continually improving our diversity (see [Develop our staff](#)).



GOVERNANCE

The PRI completed a comprehensive, independent governance review in 2015, including extensive signatory consultation, to ensure a simple, transparent accountable governance structure. Good governance at the PRI includes:

- annual signatory elections;
- term length limits for Board Directors;
- publishing Board meeting attendance and compensation records;
- clear separation between the roles of Managing Director and Chair.

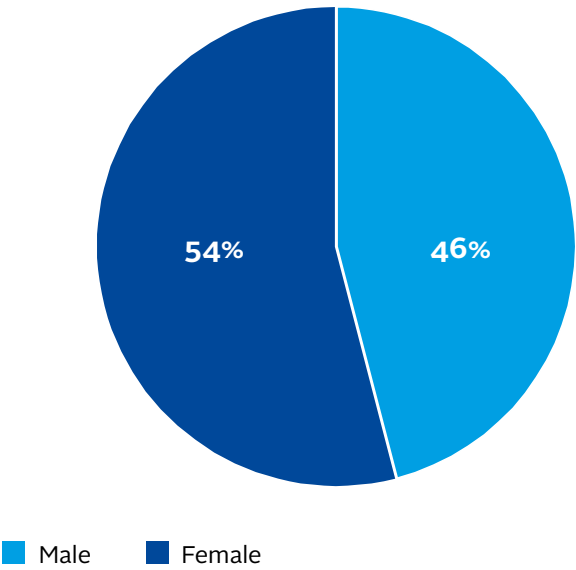
BOARD DIVERSITY

We are committed to promoting and encouraging diversity in the work we undertake, promoting the implementation of the Principles, and in our own operations, the board and Executive. The board aims to have the appropriate balance of skills, diversity, experience, independence and knowledge of the organisation to enable it to discharge its duties and responsibilities effectively. As we are a global organisation, we aim to have global representation on our board, particularly within asset owner positions. Read more in our [board diversity policy](#).

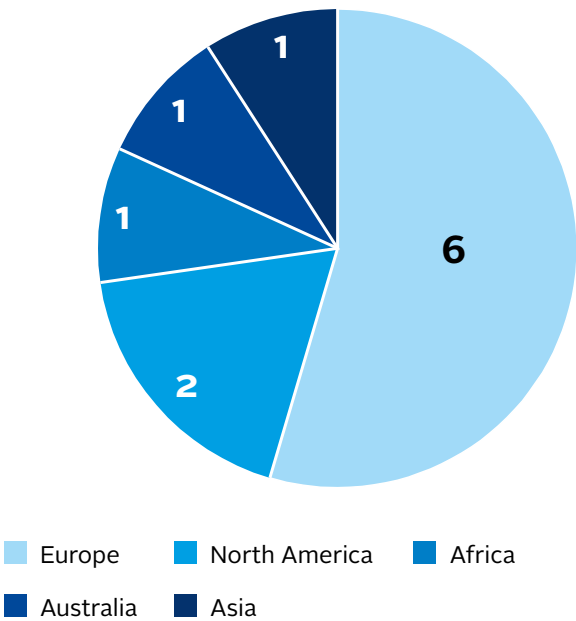
“As the Chair of the Governance Committee, I believe that board diversity leads to stronger and better decision making by encouraging wide-ranging voices and perspectives. Diversity allows the board to avoid groupthink and achieve sound governance by appropriately challenging the Executive and maintaining adequate oversight. Board diversity also sends a clear signal about the culture in the organisation around diversity and inclusion”

Angela Emslie,
Chair, PRI Governance Committee

Gender ratio of elected directors
(including Chair)



Geographic representation of elected directors
(including Chair)



Read more about all aspects of governance in the [PRI governance section](#).

NEW AND FORMER SIGNATORIES



NEW SIGNATORIES

We were delighted to welcome 938¹³ new signatories to the Principles for Responsible Investment in 2020/21, representing a 42% increase on the previous year (662) to bring the total number to 3826.

Search for signatories by name, signatory category, location or join date in the:

[SIGNATORY DIRECTORY](#)

NEW SIGNATORIES IN 2020/21

AFRICA (12)

- Accresco Investment Management
- Africa Lighthouse Capital
- AfricInvest
- Alterra Capital Partners
- ARM-Harith Infrastructure Investment
- Balondolozzi Investment Services
- Denker Capital
- Discovery Limited
- Investor Protection Fund Zimbabwe
- Protea Capital Management
- PSG Asset Management
- SouthBridge Holding

ASIA (EX-CHINA AND JAPAN) (41)

- 3one4 Capital Advisors
- AB Value Capital
- AEC Capital
- Ascendent Capital Partners
- Caygan Capital
- Corecam Capital Partners
- Crea8 Capital
- Dymon Asia Capital

- EmergeVest
- Enhanced Investment Products
- Everstone Group
- Ezland Vietnam Development
- FWD Insurance
- Gavekal Capital
- GLY Capital Management
- Grand Alliance Asset Management
- Helicap Investments
- Income Partners Asset Management
- January Capital
- Keywise Capital Management (HK)
- LyGH Capital
- Malabar Investments
- Mindworks Capital
- Mizuho Asia Partners
- Modular Asset Management (Singapore)
- Murex Partners
- Omnivore
- Red Gate Asset Management
- Socius
- The Longreach Group
- Tor Investment Management
- True North
- UTI Asset Management Company

- Vantage Point Asset Management
- Vietnam Holding Asset Management
- Wardhaven Capital
- Waterfield Advisors
- Well to Sea Investment
- Xingtai Capital Management
- Y2 Capital Partners
- Zeal Asset Management

AUSTRALIA AND NEW ZEALAND (25)

- 4D Infrastructure
- Apostle Funds Management
- Australian Communities Foundation
- Conduit Capital
- Epsilon Direct Lending
- Firetrail Investments
- Forest Alpha
- Fortitude Investment Partners
- Global From Day One Fund
- Gryphon Capital Investments
- Insync Funds Management
- K2 Asset Management
- Lakehouse Capital
- Logos Property Group
- MaxCap Group
- OneVentures
- Platinum Investment Management
- Potentum Partners
- Private Capital Group
- Quay Global Investors
- Realm Investment House
- Roc Partners
- Swell Asset Management
- Thaddeus Martin Compliance
- University of Melbourne

AUSTRIA AND GERMANY (59)

- Accumulata Real Estate Group
- Aguja Capital
- Alte Leipziger - Hallesche
- Ansa Capital Management
- Art-Invest Real Estate
- Berliner Ärzteversorgung
- Beyond Capital Partners
- Bgv Badische Versicherungen
- Boerse.De Vermögensverwaltung
- Bundespensionskasse
- Chom Capital
- Commerz Real
- Commerzbank Asset Management
- Convertinvest Financial Services
- Dccp Deutsche Credit Capital

- Deka Immobilien
- Dekabank Deutsche Girozentrale
- Digitalplus
- Emh Partners
- Encavis
- European Circular Bioeconomy Fund
- Feri Investment Management
- Fonds Professionell Multimedia
- Fundamenta Group Deutschland
- Gothaer Group
- Green Benefit
- Habona Invest
- Hammonia Reederei Gmbh & Co.
- Hannover Finanz
- Hannover Re
- Hansemerkur
- Hansemerkur Grundvermögen
- Hansemerkur Trust
- Hartz, Regehr & Partner
- Hep Kapitalverwaltung
- Iqam Invest
- Katjesgreenfood
- Kenfo
- Lebensversicherung Von 1871 A. G. München
- Loys
- Mainsky Asset Management
- Masterinvest Kapitalanlage
- Momeni Group
- Montano Asset Management
- Munich Private Equity
- NRW.Bank
- Ostfriesische Landschaftliche Brandkasse
- Peacock Capital
- Prime Capital
- Qontigo
- Quantum Immobilien
- R+V Versicherung
- Real I.S.
- Resonanz Capital
- Signal Iduna
- Soka-Bau
- Uniqa Insurance Group
- W&W Gruppe
- Warburg-Hih Invest Real Estate

BENELUX (27)

- ACI Capital Partners Luxembourg
- Ackermans & Van Haaren
- Aermont
- Alter Domus Participations
- Argos Wityu Partners
- Capricorn Partners

- Cathay Capital
- Caton Holdings
- D'leteren Group
- ECE Real Estate Partners
- European Fund Administration
- Ethias
- European Investment Fund
- FLE SA (LFPI Group)
- Fondaco Lux
- Fondation De Luxembourg
- HF Private Debt
- IKAV General Partner
- JAB Holding Company
- PEARL Infrastructure Capital
- Phoenix Capital
- Qbic Fund
- Samarang Asset Management
- SGH Capital
- Sienna Capital
- Société Générale Private Wealth Management
- Vestrata

BRAZIL (31)

- 1618 Investimentos
- 4UM Gestão de Recursos
- Alaska Asset Management
- Alpina Agente Autônomo De Investimentos
- Arien Invest
- Bresco Gestão e Consultoria
- EB Capital Gestão de Recursos
- Fundação Atlântico de Seguridade Social
- GCS Capital
- Good Karma Ventures
- Hedge Investments
- IG4 Capital
- Inovar Previdência
- InvestCoop Asset Management
- Jatai Gestão de Recursos de Terceiros
- Jive Asset Management
- LAD Capital
- Leblon Equities
- Mauá Capital
- Mogno Capital Investimentos
- Navi Capital
- Neo Gestão de Recursos
- Oria Capital
- Plural Empreendimentos e Participações
- RBR ASSET
- Rio Bravo Investimentos Holding
- Santa Fe Investimentos
- Sparta Administradora De Recursos
- Turim MFO

- VELT Partners
- XP Asset Management

CANADA (34)

- Akira Partners
- Avison Young
- Black Creek Investment Management
- Borealis Global Asset Management
- Cardinal Capital Management
- Cidel Asset Management
- Dixon Mitchell Investment Counsel
- EHP Funds
- Equiton
- Fidelity Investments Canada
- Focus Asset Management
- Forum Equity Partners
- Guardian Capital
- Hillsdale Investment Management
- Laurus Investment Counsel
- McMaster University
- Northern Private Capital
- Ontario Pension Board
- Peloton Capital Management
- PenderFund Capital Management
- Power Sustainable
- Private Debt Partners
- Q Management
- QV Investors
- RGP Investments
- ST&T Capital Management
- The Nature Conservancy of Canada
- UBC Investment Management Trust on behalf of the University of British Columbia (Endowment)
- UBC Investment Management Trust on behalf of University of British Columbia Staff Pension Plan
- University of Victoria
- University of Waterloo
- University of Waterloo Pension Plan for Faculty and Staff
- University of Windsor Endowment
- Veripath Funds

CEE AND CIS (8)

- Expert Agency «Open Communications»
- HOLD Asset Management
- National Rating Agency
- Resource Partners
- Swedbank Ieguldījumu Pārvaldes Sabiedrība
- Swedbank Investeerimisfondid
- Swedbank investiciju valdymas
- UAB I Asset Management

CHINA (18)

- Asia Green Fund

- China Securities Index Co.
- China Universal Asset Management Company
- First Capital Securities Co.
- Fresh Capital
- GoldenBee Management Consulting
- Gopher Asset Management
- Green Alpha Capital Management (Hainan) Co.
- Hillhouse
- ICBC Credit Suisse Asset Management Co.
- Lingfeng Capital
- Loyal Valley Capital
- Noah Holdings
- Shanghai Greenment Environmental Technology Co.
- Shanghai Leading Investment Consulting Co.
- Trustbridge Partners
- XY Investments
- Yinhua Fund Management Co.

FRANCE (67)

- 50 Partners Gestion
- Acer Finance
- Anaxis Asset Management
- Axa Venture Partners
- Banque Hottinguer
- Bnp Paribas Capital Partners
- Calao Finance
- Capagro
- Caphorn Invest
- Carac
- Ciam
- Clartan Associés
- Covéa
- Elaia Partners
- Em8 Private Equity
- Epopee Gestion
- Erasmus Gestion
- Eutopia Gestion
- Evarinvest Am
- Famae Impact
- Fiducial Gérance
- Flexam Invest
- Gaia Capital Partners
- Geneo Partenaires
- Generali Global Infrastructure
- Gestion 21
- Indépendance & Expansion Am
- Initiative & Finance Gestion
- Inter Invest Capital
- Investisseurs Dans L'entreprise (Ide Am)
- Irdi Soridec Gestion
- Jeito Fund
- Jolt Capital

- Keren Finance
- Korelya Capital
- La Financiere Tiepolo
- Lauxera Capital Partners
- Lonvia Capital
- My Funds Office
- Nci
- Novaxia Investissement
- Osae Partners
- Panthera Solutions
- Phileas Asset Management
- Platinum Gestion
- Pleion (Monaco) Sam
- Raymond James Asset Management International
- Ring Capital
- Rive Private Investment
- Roce Capital
- Rothschild Martin Maurel
- Rrw France
- Sagard Sas
- Serena
- Sg 29 Haussmann
- Sham – Relyens Group
- Société Générale Assurances
- Sofimac
- Sofinnova Partners
- Spring Invest
- Starquest (France)
- Supernova Invest
- Syquant Capital
- Tailor Asset Management
- Varenne Capital Partners
- Wendel
- Zencap Asset Management

JAPAN (11)

- BlackCrow Capital
- Daiwa House Asset Management Co.
- Human Resources Governance Leaders Co.
- Japan Excellent Asset Management Co.
- Milestone Turnaround Management Co.
- Nippon Value Investors
- Richwood Capital Management
- Saison Asset Management Co.
- Strategic Capital
- The Dai-ichi Frontier Life Insurance Co.
- Topaz Capital

LATAM (EX-BRAZIL) (38)

- Acciones Y Valores Comisionista De Bolsa
- AFAP SURA
- Afore Sura

- AFP Crecer
- AFP PlanVital. Una compañía Generali
- AM Advisors
- Ameris
- Arago Capital
- BCI Asset Management
- Capital + SAFI
- Citibanamex Afore
- Compartamos con Colombia
- Corficolombiana
- Corporación Inmobiliaria Vesta SAB DE CV
- Credicorp Capital Asset Management
- Dalus Capital
- Danesmead Partners
- Digital Technology Foundation
- Exacta Capital Partners
- Fibra Uno (FUNO)
- Fondo de Ahorro de Panamá
- HR Ratings
- ICR Systems & Management
- Inframco
- JCR LATAM
- MTS
- O ´ Donnell Capital Management
- OPC CCSS
- Operadora de Fondos Banorte
- Pacífico Compañía de Seguros y Reaseguros
- Pontificia Universidad Javeriana
- Porvenir
- Skandia Administradora de Fondos de Pensiones y Cesantías
- Sustainable Strategies
- TC Latin America Partners
- Vector Partners (Vector Empresas)
- Vivir Seguros
- Yellowstone Capital Partners

MIDDLE EAST (9)

- 5 Capitals Environmental & Management Consultancies
- Gulf Capital PJSC
- Gulf Japan Food Fund
- Introspect Capital (DIFC)
- Investcorp Holdings
- Kerten Saudi Arabia
- Pitango Venture Capital
- Synergy Management
- Vintage Investment Partners

NETHERLANDS (17)

- 5Square
- Anterra Capital
- Avedon Capital Partners

- Circular Investment
- Endeit Capital
- Enterprising Finance
- Financiele Diensten Amsterdam
- Global Cleantech Capital
- Index People
- Nederlandse MKB Participatiemaatschappij
- Rubio Impact Ventures
- Sprekels and Verschuren
- Stichting Pensioenfonds DSM
- Taptrove Ventures
- Thuja Capital
- Urban Impact Ventures
- Wilton Family Office

NORDICS (47)

- Aeda Asset Management
- Agentia Investment Management
- AIFM Capital
- Alcur Fonder
- Alma Property Partners
- Altaal
- Alternative Equity Partners
- Arbejdernes Landsbank
- ARCOS Capital
- Areim
- Asset Advisor Fondsmæglerselskab
- Atle Investment Services
- Bocap Private Equity
- Carlsson Norén Asset Management
- Carnegie Private Banking
- Copenhagen Infrastructure Partners
- Danica Pension
- Eyrir Venture Management
- Finserve Nordic
- Formica Capital
- Futur Pension Försäkringsaktiebolag
- Gjensidige Forsikring
- Hadean Ventures
- Hartwall Capital
- Hedda Manager
- HP Fondsmæglerselskab
- Hypoteket Fondförvaltning
- IKC Capital
- Kåpan Pensioner
- Kirk Kapital Fondsmæglerselskab
- Kirstein
- Kvika banki
- Library Capital
- Max Mitteregger Kapitalförvaltning
- Nordic Credit Rating
- Nordic Investment Opportunities

- Norselab
- Novo Holdings
- NREP
- Proventus Capital Partners
- REQ Capital
- SAGA Private Equity
- Samla Capital
- Stonehenge Fondsmæglerselskab
- Summa Rekstrarfélag
- TIN Fonder
- Vibrand Kapitalforvaltning

SOUTHERN EUROPE (60)

- A&G Banca Privada
- ABANCA Corporación Bancaria
- ABANCA Seguros
- ACACIA INVERSIÓN SGIIC
- ActiveCap
- Aldana Capital
- Allfunds Bank
- Alpha Trust
- Alto Partners
- Armònia
- Arta Capital
- ASSETLY Investment Partners
- Atena Equity Partners
- Avm Gestioni Sgr Spa Gestore Euveca
- Bankia Asset Management
- Bansabadell Pentapension Empresa
- Bbva Seguros, S.A., De Seguros Y Reaseguros
- Bestinver Gestión
- C2 Capital Partners
- Cobas Asset Management
- Compañía de servicios de bebidas refrescantes pensiones
- Dunas Capital
- Edekt Asset Management
- Empleados Grupo Bankia
- Entangled Capital
- Fideuram Asset Management
- Finanziaria Internazionale Investments
- Fondaco SGR
- Fondo de Pensiones de los Empleados de Banco Sabadell
- Fondo de Pensiones de los Empleados de Banco Sabadell MF2000
- Fondo pensione a prestazione definitiva del Gruppo Intesa Sanpaolo
- Fondo Pensione Fondenergia
- Fondoposte
- Gesconsult Sa Sgiic
- GFED
- Grosvenor Investments

- HCapital Partners
- Healthcare Activos Management
- Ibercaja Am
- Imantia
- Integra Groupe
- Key Capital Impact
- Kibo Ventures
- Kyma Investment Partners
- Micappital
- Mutua de Propietarios
- Nexxus Iberia
- Oryx Impact
- PeakBridge
- Pillarstone
- Q-Energy
- Quaestio Capital
- Qualitas Equity Funds
- QuattroR
- Riello Investimenti Partners
- Santander Asset Management
- Star Capital
- Synergo Capital
- Triton Asset Management
- Vallbanc Fons

SWITZERLAND (42)

- Aargauische Kantonalbank (Cantonal Bank of Aargau)
- Agreeen Capital
- Anrepa
- Asteria Investment Managers
- Atlanticomnium
- AtmosClear Investments
- Bank Cler
- Basler Kantonalbank
- Bedrock Group
- Blackwall Capital Investment
- Blue Horizon Group
- BST Impact
- Commodity Capital
- Emerald Technology Ventures
- Energy Infrastructure Partners
- Frankfurter Bankgesellschaft Gruppe
- Fundamenta Group (Schweiz)
- GAMA Asset Management
- H-Ideas
- Horizon Capital
- Konwave
- Liechtensteinische Landesbank
- MBS Capital Advice
- Mill Reef Capital
- Notz Stucki & Cie
- Pactum

- Peakside Capital Advisors AG
- Pension Fund of Credit Suisse Group (Switzerland)
- Pensionskasse des Bundes PUBLICA
- PKRueck
- Plenum Investments
- QORE Switzerland
- Reichmuth & Co Investment Management
- Remaco Asset Management
- Rentes Genevoises
- Sammelstiftung Vita
- Swiss Prime Investment Foundation
- Thalmann & Verling Trust
- Tramondo Investment Partners
- Transparenta Sammelstiftung berufliche Vorsorge
- Wüest Partner
- zCapital

UNITED KINGDOM (185)

- 8F Asset Management
- ABB Plan
- Adelio Partners
- Advance Global Capital
- Aequalitas Capital Partners
- AgFe
- Aikya Investment Management
- Albert E Sharp
- All Seas Capital
- Alvarium
- Alvarium Home REIT Advisors
- Amber Capital
- Anthemis Capital Managers
- Aravis Capital
- Arbrook Investors
- Archax
- Arcus Investment
- AshGrove Capital
- Asset Risk Consultants
- AV Trinity
- Avelios Alternative Assets
- Avellinia Capital
- Balderton Capital
- Bedford Row Capital
- BGF
- Blackfinch Group
- Blue Water Energy
- Bluebell Capital Partners
- BlueCove
- Brevan Howard Capital Management
- Brooks Macdonald Group
- Cabot Square Capital
- Cambridge Innovation Capital
- Capital Generations Partners
- Capital Kinetics
- Carbon Cap Management
- Cartwright Benefit Solutions
- CBRE Indirect Investment Services
- CDAM (UK)
- Cerno Capital Partners
- CG Asset Management
- Chelverton Asset Management
- Chiltern Capital
- Cibus Investments
- Clean Growth Investment Management
- Clim8 Invest
- Clima Investments
- Close Brothers Asset Management
- Contrarius Investments
- Cybele Capital Partners
- Dean Wetton Advisory UK
- Devon Equity Management
- DG Partners and BH-DG Systematic Trading
- DMS Governance
- East Sussex Pension Fund
- Elevation Advisors
- Embark Investments
- Equitile Investments
- Eric Sturdza Investments
- Ethico
- Europa Capital Partners
- Evora Global
- FE Investments
- Fidera
- Fineco Asset Management
- Foresters Friendly Society
- Freshstream
- Fundamentum Social Housing REIT
- Funding Circle
- Glendower Capital
- Global Harvester Holdings
- Goodbody Asset Management
- Greater Pacific Capital
- GTO Partners
- GVQ Investment Management
- HANetf
- Hanover Investors Management
- Headway Capital Partners
- Healthy Investment
- Heronbridge Investment Management
- HSBC Bank Pension Trust (UK)
- Hunter REIM
- Hyde Park Investment
- Imperial College London
- Independent Franchise Partners
- Inspired ESG

- Insurtech Gateway
 - Intriva Capital
 - Investec Wealth & Investment
 - Isio
 - J. Rothschild Capital Management
 - James Hambro & Partners
 - John Laing Group Plc
 - Kiltearn Partners
 - KLAR Partners
 - Kleinwort Hambros
 - Knight Frank Investment Management
 - Kobalt Capital
 - Laureola Advisors
 - Lincoln Private Investment Office
 - Linnovate Partners
 - Long Harbour
 - Magnesium Capital
 - MAIA Asset Management
 - Marshall Wace
 - Melqart Asset Management (UK)
 - Metropolis Capital Limited
 - Millennium Global Investments
 - MillTechFX by Millennium Global
 - Milltrust International
 - New Ireland Assurance Company
 - New World Capital Advisors
 - Northlander Commodity Advisors
 - NorthPeak Advisory
 - Oakham Wealth Management
 - Oceanwood Capital Management
 - Pacific Asset Management
 - Partners Capital
 - Parus Finance (UK)
 - Phoenix Group
 - Pico Analytics
 - Platina Partners
 - Polunin Capital Partners
 - PortfolioMetrix Group
 - Powertree
 - Prefequity
 - Preservation Capital Partners
 - Prusik Investment Management
 - Qbera Capital
 - Ravenscroft Group
 - Rize ETF
 - Rothesay
 - Royal College of Surgeons in Ireland
 - Royal College of Surgeons in Ireland Defined Contribution Pension Scheme
 - Rye Bay Capital
 - S64 Capital Innovation
 - SANNE Group
 - Scottish Equity Partners
 - Scottish Widows (part of Lloyds Banking Group)
 - Seaton Place Limited
 - SECOR Investment Advisors
 - Setanta Asset Management
 - Shard Credit Partners
 - Sillion
 - Skerryvore Asset Management
 - Skybound Capital
 - SL Investment Management
 - Smart Pension Master Trust
 - Spinnaker Capital
 - Square Capital
 - SquareWell Partners
 - Stamford Associates
 - Stratton Street Capital
 - Sunridge Partners
 - Sustainable Development Capital
 - Sustainable Network
 - T. Bailey Asset Management
 - Tabula Investment Management
 - Telefónica UK Pension Plan
 - Tellworth Investments
 - TempoCap
 - Tesco Pension Trustees
 - Teviot Partners
 - The Family (Music)
 - Thomas Miller Investment
 - Tilney Group
 - Toscafund Asset Management
 - Trispan
 - True.
 - Umbra Capital Partners
 - Unicorn Asset Management
 - Velocity Capital Advisors
 - VenCap International
 - Victory Hill Capital Advisors
 - W.RE
 - Watt Money
 - Wealthflow Group
 - Wells Gibson
 - Wessex Investment Management
 - Whitley Asset Management
 - WovenLight
 - XPS Pensions Group
 - YFM Private Equity
 - Yoo Capital Investment Management
 - Zennor Asset Management
- UNITED STATES (207)**
- ABS Investment Management
 - AE Industrial Partners
 - AFL-CIO Housing Investment Trust

- Agecroft Partners
- Alameda County Treasurer-Tax Collector
- Aligned Climate Capital
- Alpine Grove Partners
- Alpine Investors
- Altrinsic Global Advisors
- Anchor Capital Advisors
- Anchorage Capital Group
- AO Asset Management
- Apollo Global Management
- Applied Research Investments
- Aqua Ceres
- Aquamarine Investment Partners
- Ara Partners
- Ares Management Corporation
- Ariel Investments
- Aristeia Capital
- Astara Capital Partners
- Astia
- Atalanta Sosnoff Capital
- ATL Partners
- Atlas Impact Partners
- Aventail Capital Group
- Avenue Capital Group
- Bares Capital Management
- Beach Point Capital Management
- Becker Capital Management,
- Birch Grove Capital
- Blue Cross Blue Shield of Minnesota
- Blue Dot Capital
- Blue Vista Capital Management
- Boston Capital Real Estate Partners
- Brentview Investment Management
- Bridge Investment Group
- Bridgeway Capital Management
- Brown Brothers Harriman & Co Investment Management
- C.S. McKee
- Calmwater Capital
- Canyon Partners
- Carlson Capital
- CarVal Investors
- Caxton Associates
- CBAM Partners
- Channing Capital Management
- Channing Global Advisors
- Chartwell Investment Partners
- CNO Financial Group
- Colony Capital
- Consilium Investment Management
- Copeland Capital Management
- Crescent Park Management
- Cross Creek
- Cure Ventures
- DePrince, Race & Zollo
- Discerene Group
- Drumcliffe Partners IV
- Eagle Capital Management
- East Coast Asset Management
- EcoEnterprises Fund
- Elmwood Asset Management
- Energy Impact Partners
- Enhanced Capital
- Entelligent
- Envestnet
- Enzo Advisors
- ESG Playbook
- Everberg Capital
- Farmland
- Fayez Sarofim & Co.
- FCP
- Fin Venture Capital
- First Eagle Investment Management
- Fisher Lynch Capital
- Forest Investment Associates
- FTV Capital
- Global Infrastructure Partners
- Global X ETFs
- Globescan Capital
- Good Growth Capital
- Graham Capital Management
- Grey Mountain Partners
- Greyline Partners
- GroveStreet
- HÄLIG-PARTNERS
- Hannon Armstrong
- Harbert Management Corporation
- Hardman Johnston Global Advisors
- Harrison Street
- Heard Capital
- HFR Investments
- Hitchwood Capital Management
- Homestead Capital USA
- HPS Investment Partners
- Humankind Investments
- I Squared Capital
- Infusive Asset Management Inc
- Innovatus Capital Partners
- Innventure
- Insurance AUM Journal
- Jennison Associates
- JL Alpha
- Kennedy Lewis Investment Management
- King Street Capital Management
- Knightsgate Ventures

- Lembas Capital
- Leucadia Asset Management
- Levin Easterly Partners
- Liberty Mutual Insurance
- Locust Point Capital
- Lord Capital
- Massar Capital Management
- MassAve Global
- MassMutual
- MDH Partners
- Mercator Management USA
- Metis Global Partners
- MiddleGround Capital
- Millennial Energy Partners
- Molpus Woodlands Group
- Monomoy Capital Partners
- Mount Lucas Management
- Muller & Monroe Asset Management
- Nasdaq
- Nephila
- Newmarket Investment Holdings
- Night Owl Capital Management
- Norbury Partners
- NYL Investors
- Old Orchard Capital Management
- Orchard Capital Management
- OTCFIN
- Palladium Equity Partners
- Performance Equity Management
- Pysis Investment
- Pillar Capital Management
- Pluribus Labs
- Post Road Group
- Prima Capital Advisors
- Pritzker Private Capital
- Promethos Capital
- Prysm Capital
- Quadratic Interest Rate Volatility and Inflation Hedge ETF
- Quantum Energy Partners
- Ramirez Asset Management
- Ranger Global Real Estate Advisors
- Rayliant Asset Management
- Red Reef Partners,
- Renaissance Investment Management
- Rice Hall James & Associates
- Rimrock Capital Management
- Riverstone Holdings
- Rockwood Capital
- Rothschild & Co Asset Management US
- Rubicon Technology Partners
- Safar Partners
- Sanders Capital
- Savvy Invest
- Sciens Water
- Sculptor Capital Management
- Select Equity Group
- Semper Capital Management
- Sentinel Real Estate Corporation
- Seven Oaks Acquisition Corp
- Shukr Investments
- Sixth Street
- SK Capital Partners
- Smith Asset Management Group
- SofCap Partners
- Spur Capital Partners
- SRI Capital
- SSI Investment Management
- Stonepeak Infrastructure Partners
- Stonyrock Partners
- Strategic Global Advisors
- Strategic Value Partners
- Sumac Jupiter
- Sustainable Impact Capital
- Sycamore Tree Capital Partners
- Teewinot Capital Advisers
- The March Fund
- The Palisades Group
- The Terra Fund
- Third Point
- Thomas H. Lee Partners
- Thomas Schumann Capital®
- TIFF Investment Management
- Tiger Infrastructure Partners
- Timberland Investment Resources
- Tree Line Capital Partners
- Tweedy, Browne Company
- TZP Group
- UnifyImpact
- Unum Group
- Varagon Capital Partners
- Vaughan Nelson Investment Management
- Victory Capital Management
- Vista Equity Partners
- V-Square Quantitative Management
- Wedge Capital Management
- Welton Investment Partners
- Westfuller Advisors
- Whistle Stop Capital
- WM Partners
- Women's World Banking Asset Management
- Zeo Capital Advisors
- Zephyr Management

FORMER SIGNATORIES

Between 1 April 2020 and 31 March 2021, 160 organisations ceased to be signatories. These include organisations choosing to relinquish signatory status (89), membership changes due to mergers and acquisitions involving other signatories (34) and organisations that ceased to exist (19). A further five signatories were delisted for failing to meet the minimum requirements and 10 for failing to participate in the reporting and assessment process.

CHOSE TO LEAVE (89)

- 4BIO Partners
- 4UM Gestão de Recursos
- Abraham Trading Company
- Act Analytics
- Affectio Mutandi
- AJ Financial Planning
- AJO
- Alternative Prosperity Advisory and Products
- American Timberlands Company
- Arrowgrass Capital Partners
- Atlanta Consulting Group
- AV Group
- AVAIO Capital
- Baring Private Equity Partners España
- Brentwood Wealth Fund Management
- Cannon Asset Managers
- Chi Impact Capital
- CIFI Asset Management
- ClearlySo
- Clearmatch
- Copper Rock Capital Partners
- CreditValue Partners
- Dalton, Greiner, Hartman, Maher & Co.
- DLM INVISTA
- EcoAct
- Element Investment Managers
- EnerCap Capital Partners
- Enhance Group
- Epic Capital Wealth Management
- FCG
- Fedgroup Ventures
- Fonds FMOQ
- Force Over Mass Capital
- Forest Resource Advisors
- GE3S
- Gemcorp Capital
- Grafton Asset Management
- Green Mesa Capital
- GreenSoil Investments
- Herkules Capital
- Humboldt State University Foundation
- ICE Canyon
- Intrinsic Investment Management

- Jardim Botânico Investimentos
- Kavaljer
- KKV Investment Management
- Laffitte Capital Management
- Legae Peresec
- LK&A Investment Counsel
- LNG Capital
- Macrocapitales
- Maryland Capital Management
- Mercatus, Inc.
- MultiGreen Properties
- Musa Group
- Nabla Global
- Nekko Capital
- NeoMed Management (Jersey)
- Nestor Advisors
- Northern Star
- Nutmeg Saving and Investment
- Onliest ESG
- Pandhora Investimentos
- PAPE Fund Managers
- Peak AM Alternative Investments
- Pekin Hardy Strauss (Appleseed Capital)
- Petros - Fundação Petrobras de Seguridade Social
- PIPV Capital
- Prime Meridian Capital Management
- Principia
- Promethean Investments
- Qualitas Equity Funds
- Quatá Gestão de Recursos
- Quiet Canyon Capital
- Resco Asset Management
- Response Global Media
- RisCura
- Rusheen Capital Management
- Santander Brasil Asset Management
- Sustainable Development Strategy International Group
- SG Value Partners
- Snow Capital Management
- Soluções Inclusivas Sustentáveis (Sustainable Inclusive Solutions)
- Swiss Life Asset Managers
- The Forest Company
- The University of Maryland Foundation
- Thomas Schumann Capital
- Util
- Vall Banc Fons

CEASED TO OPERATE (19)

- Adaxia Capital Partners
- Alcora Global
- Avoca Investment Management

- Beshertine
- Blue Harbour Group
- Blue Sky Alternative Investments Limited
- Blueplanet Investments
- Bodenholm Capital
- Bpf AVH
- Exergy Capital Management
- Ferox Capital
- Geronimo Investment Management
- GreenWish Capital (Mauritius)
- Matarin Capital Management
- Mission Driven Capital Partners
- Nextshift Co.
- OLIM Investment Managers
- Prorsum Capital
- Verto Management

FAILURE TO MEET MINIMUM REQUIREMENTS (5)

- BPE
- Corfina Capital
- Delta Alternative Management
- Primary Wave IP Investment Management
- Stichting Gemeenschappelijk Beleggingsfonds

FAILURE TO REPORT (10)

- AJF Financial Services
- Black Toro Capital
- Elaïs Capital
- Integrated Asset Management Corp.
- Ithmar Capital
- NiXEN Partners
- PT. ASABRI (PERSERO)
- Rede Partners
- Seed&Click
- Spot Energy

MERGED OR TAKEN OVER BY ANOTHER SIGNATORY (34)

- Alberta Teachers' Retirement Fund Board
- Appian Asset Management
- ASEAN China Investment Fund
- Atle Investment Management
- Beyond Ratings
- EFIREs
- Fennia Varainhoito
- G Squared Capital
- GLC Asset Management Group
- Hexagone Conseil
- IAG & NRMA Superannuation
- Ibercaja Pensión
- IKC Fonder B
- InsingerGilissen Bankiers

- Lloyds Banking Group
- Nord Capital Partenaires
- Nordic Cross Asset Management
- OppenheimerFunds
- Provinzial Rheinland
- QS Investors
- RARE Infrastructure
- re.cap global investors
- RobecoSAM
- Santander Pensiones, Entidad Gestora de Fondos de Pensiones
- SEB Life and Pension
- Sophus Capital
- Sparinvest
- SPF Beheer
- SPOV
- Star America Infrastructure Partners
- TD Greystone Asset Management
- The Pensions Infrastructure Platform
- Tocqueville Finance
- VicSuper

MERGED OR TAKEN OVER BY A NON-SIGNATORY (3)

- Gitterman Wealth Management
- Greentech Capital Advisors
- Integrex

The Principles for Responsible Investment (PRI)

The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

More information: www.unpri.org



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



United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 8,800 companies and 4,000 non-business signatories based in over 160 countries, and more than 80 Local Networks.

More information: www.unglobalcompact.org

