Emergency evacuation procedure

• No fire drills planned during the conference
• In case of an emergency, tannoy and hotel staff will advise how to proceed
• If instructed, go straight to the nearest assembly point using all emergency exits, and await further instructions:
  Yerba Buena Gardens, across Mission Street

• In the event of a medical emergency, dial 9-911 from a hotel phone for assistance and notify the conference organizers
• Dial 0 from any hotel phone for emergency assistance from the venue.
2018 Signatory General Meeting

Wednesday 12 September
Signatory General Meeting

Agenda

- **Welcome address and PRI Board report** (Martin Skancke, Chair, PRI Board)  
  (10:45-11:00)

- **Management and financial report** (Fiona Reynolds, CEO, PRI)  
  (11:00-11:30)

- **Q&A** (Martin Skancke, chair, PRI Board and Fiona Reynolds, CEO, PRI)  
  (11:30-12:00)

- **2018 board director elections** (Martin Skancke, Chair, PRI Board)  
  (12:00-12:15)
PRI Board report

Martin Skancke, PRI Chair
Management and financial report

Fiona Reynolds, CEO
Blueprint for responsible investment

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

RESPONSIBLE INVESTORS

We will strengthen, deepen and expand our core work of leading responsible investors in their pursuit of long-term value.

- EMPOWER ASSET OWNERS
- SUPPORT INVESTORS INCORPORATING ESG ISSUES
- FOSTER A COMMUNITY OF ACTIVE OWNERS
- SHOWCASE LEADERSHIP AND INCREASE ACCOUNTABILITY
- CONVENE AND EDUCATE RESPONSIBLE INVESTORS
We will address unsustainable aspects of the markets that investors operate in, to achieve the economically efficient, sustainable global financial system that responsible investors and beneficiaries need.

- CHALLENGE BARRIERS TO A SUSTAINABLE FINANCIAL SYSTEM
- DRIVE MEANINGFUL DATA THROUGHOUT MARKETS
Blueprint for responsible investment

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

A PROSPEROUS WORLD FOR ALL
We will enable signatories to improve the real world – now and in the future – by encouraging investments that positively impact the societies in which we live and the environment we pass on to future generations.

• CHAMPION CLIMATE ACTION
• ENABLE REAL-WORLD IMPACT ALIGNED WITH THE SDGs
2017/18

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

Challenge barriers to a sustainable financial system
Drive meaningful data throughout markets
Champion climate action
Enable real-world impact aligned with the SDGs
How signatories got involved in 2017/18

- **333** posts to the Collaboration Platform
- **700+** requests to view Assessment Reports and Transparency Reports in the Data Portal
- **950+** delegates at PRI in Person in Berlin
- **Nearly 500** signatories guided the PRI’s work through advisory committees or working groups
- **4,000** members of the academic network
- **480** signatories reported in pilot indicators aligned with TCFD recommendations
- **159%** increase in PRI Academy enrolments
Signatory overview 2017/18

39 new AO signatories

14% net signatory growth

Enhanced presence and growth in:
- China
- Japan
- Southern Europe
- French-speaking signatories
Reporting on RI practices

25% increase in ESG in hedge funds
Asset owners considering ESG issues in hedge funds following the release of the due diligence questionnaire

234 signatories mentioned the SDGs
in their reporting responses, up from 80

Active ownership in fixed income
73% of signatories engage on their corporate bonds

Fixed income catches up to listed equities
ESG integration in FI is now as common in listed equities, with 90% of asset owners considering ESG issues in their indirectly held securitised and SSA bonds, up from 68%

But...

Only 44% of signatories have investment policies in place that cover E, S and G issues for the majority or all of their assets
Empower asset owners

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

Nearly a third of the PRI’s asset owner signatories participated in the asset owner consultation.

Signatories from 19 countries participated.
Empower asset owners

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

The PRI’s unique value proposition

- Global nature of the PRI
- Covers all areas of responsible investment
  - E, S and G
  - All asset classes
  - Involved in global decision making / thought leadership
  - Convening power and bringing together global practices
  - UN link
  - Accountability through reporting (although different views on the reporting itself)
Empower asset owners

Consultation findings

**Drive value – but underutilised**
- The Collaboration Platform
- The Data Portal
- The PRI Academy

**Surprises**
- ‘Drive meaningful data throughout the markets’

**What signatories want more of**
- Integration tools and guidance
- ESG themed guidance
- Active ownership guidance (outside just listed equites)
- Thought leadership and guidance on future issues
- Events, particularly asset owner only events
- Guidance on the issue of climate change
- Case studies on best practice
Support investors incorporating ESG issues

ESG issues affect investment performance across companies, sectors, regions and asset classes

RESponsible Investors

**Fixed income**
- First full-day fixed income conference in San Francisco

**Infrastructure**
- Primer on responsible investment in infrastructure
- Series of events in Melbourne, New York, Toronto and London

**Credit ratings agencies**
- ESG, credit risk and ratings: part 2 – exploring the disconnects

**Private equity**
- Incorporating responsible investment requirements into private equity fund terms
- Human rights in private equity discussion paper
Foster a community of active owners

ESG issues affect investment performance across companies, sectors, regions and asset classes

**RESPONSIBLE INVESTORS**

**Environmental**
- Growing water resilience: an investor guide on agricultural supply chains
- Developing work on plastics in the ocean

Engagements: deforestation, palm oil, climate change for oil and gas companies, methane, water.

**Social**
- An investor briefing on the apparel industry: moving the needle on responsible labour practices
- Drilling down into the cobalt supply chain: how investors can promote responsible sourcing practices

Engagements: human rights in the extractives industry

**Governance**
- Evaluating and engaging on corporate tax transparency: an investor guide

Engagements: cyber security

#PRIinPerson
Showcase leadership and increase accountability

A race to the top and a clear rulebook improve results

Signatories must meet the following minimum requirements:

• Investment policy that covers the firm’s responsible investment approach, covering >50% of AUM

• Internal/external staff responsible for implementing RI policy

• Senior-level commitment and accountability mechanisms for RI implementation
Showcase leadership and increase accountability

A race to the top and a clear rulebook improve results

**Setting minimum standards**

174 organisations contacted

39 engagement sessions already completed

73 (41%) engagement sessions in progress

**100% engagement**

from signatories in the Netherlands, Canada, Japan, Luxembourg, Denmark, Puerto Rico and Hong Kong
Showcase leadership and increase accountability
A race to the top and a clear rulebook improve results

Showcasing leadership

- We will showcase good practices and recognise practices from different types of signatories
- We will showcase leadership at an awards ceremony at PRI in Person 2019 in Paris
Convene and educate responsible investors

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

159% increase in PRI Academy enrolments

Launched trustee course

13 research papers

Academic research on issues such as:

- The just transition
  - Launching investor statement
- Economic inequality
- How investor engagement creates value
Challenge barriers to a sustainable financial system
Creating long-term value requires a sustainable global financial system

**SUSTAINABLE MARKETS**

**US: deregulatory market-led approach:**

- Department of Labor → more cautious ESG tone, no longer enforcing Fiduciary Rule
- CHOICE Act → rolling back Dodd Frank

**Positive signals:**

- Progress at city (New York) and state (California, Illinois) level on sustainable finance
- Positive recommendations by the GAC on ESG issues
Challenge barriers to a sustainable financial system

Creating long-term value requires a sustainable global financial system

**SUSTAINABLE MARKETS**

**Europe**
- Policy-led approach → capital market stability to capital market purpose
- ESG “opt-out” proposals
- European Commission: “explicitly require ESG”

**China**
- Green finance approach
- Companies required to disclose environmental indicators
Drive meaningful data throughout markets

Good decisions need good data

SUSTAINABLE MARKETS

Introducing the Data Portal

80% of 2018 reporters

use the Data Portal to view their Assessment Reports and/or to view other signatories’ Transparency Reports

Asset owners hold investment managers to account: 66% of all asset owner signatory requests to investment manager signatories were approved

A total of 1,200 requests from investors to access Assessment Reports and private Transparency Reports of other investors
Champion climate action
Climate change is the highest priority ESG issue facing investors

A PROSPEROUS WORLD FOR ALL

480 signatories reporting – 33%

28% of reporting signatories made their information public

Percentage of signatories that reported on the new TCFD-aligned climate indicators

Asset owners

% of 338 AOs

39%

Investment managers

% of 1,111 IMs

31%
Champion climate action

Climate change is the highest priority ESG issue facing investors

A PROSPEROUS WORLD FOR ALL

Board

- No responsibility: 1%
- Oversight: 14%
- Management: 12%
- Oversight and management: 73%

C-level

- No responsibility: 5%
- Oversight: 33%
- Management: 5%
- Oversight and management: 56%
Champion climate action

Climate change is the highest priority ESG issue facing investors

Only 9% of signatories do scenario analysis based on a 2 degree or lower scenario

Supported launch of new climate scenario analysis tool, helping to reduce barriers to climate scenario analysis
**Champion climate action**

Climate change is the highest priority ESG issue facing investors

- Over 300 investors taking action in at least one area of the Investor Agenda
- Official launch at PRI in Person, with a session at the Global Climate Action Summit
- Nearly 290 investors from 29 countries who manage US$30 trn in assets
Enable real-world impact aligned with the SDGs

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

A PROSPEROUS WORLD FOR ALL

- The SDG investment case
- Responding to megatrends: investment institutions trend index
- SDG awareness raising sessions
- Impact investing market map
- SDG country plans
- SDG resources list
Financial statements

Financing the next phase of responsible investment

Income

Between 1 April 2017 - 31 March 2018, total income grew to £10.4 million, up from £8.1 million on 2016/17.

<table>
<thead>
<tr>
<th></th>
<th>Actual 2016/17</th>
<th>Actual 2017/18</th>
<th>Budget 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fee - renewal</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
</tr>
<tr>
<td>Membership fee - new</td>
<td>7,269</td>
<td>8,414</td>
<td>9,869</td>
</tr>
<tr>
<td>Grants, donations, other</td>
<td>538</td>
<td>690</td>
<td>785</td>
</tr>
<tr>
<td>PRI in Person income surplus</td>
<td>-92</td>
<td>597</td>
<td>307</td>
</tr>
<tr>
<td>PRI Academy</td>
<td>252</td>
<td>285</td>
<td>499</td>
</tr>
<tr>
<td>Total income</td>
<td>8,122</td>
<td>10,448</td>
<td>11,934</td>
</tr>
</tbody>
</table>
Financial statements

Financing the next phase of responsible investment

Expenditure

Between 1 April 2017 - 31 March 2018, total expenditure excluding PRI in Person grew to £10.2 million.

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual 2016/17</th>
<th>Actual 2017/18</th>
<th>Budget 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs (including networks, recruitment, training and development)</td>
<td>6,0005</td>
<td>6,0005</td>
<td>4,0005</td>
</tr>
<tr>
<td>Bought-in services, consulting and research</td>
<td>5,186</td>
<td>6,441</td>
<td>7,795</td>
</tr>
<tr>
<td>Meetings and travel expenses</td>
<td>836</td>
<td>1,171</td>
<td>1,243</td>
</tr>
<tr>
<td>Premises costs</td>
<td>849</td>
<td>787</td>
<td>1,042</td>
</tr>
<tr>
<td>IT costs and telephone</td>
<td>386</td>
<td>593</td>
<td>831</td>
</tr>
<tr>
<td>Events, conferences and hospitality</td>
<td>139</td>
<td>220</td>
<td>302</td>
</tr>
<tr>
<td>Legal and professional services</td>
<td>139</td>
<td>124</td>
<td>77</td>
</tr>
<tr>
<td>Subscriptions, reports and printing</td>
<td>99</td>
<td>100</td>
<td>120</td>
</tr>
<tr>
<td>Academy commissions and marketing</td>
<td>54</td>
<td>59</td>
<td>84</td>
</tr>
<tr>
<td>Other expenditure (insurance, postage, office supplies, bank charges)</td>
<td>161</td>
<td>240</td>
<td>152</td>
</tr>
<tr>
<td><strong>Total (PRI in Person expenditure not included)</strong></td>
<td><strong>8,051</strong></td>
<td><strong>10,181</strong></td>
<td><strong>12,287</strong></td>
</tr>
</tbody>
</table>
PRI executive team

Here for you

Fiona Reynolds
Managing Director

Mark Blair
Chief Finance Officer

Lian Hillier
People & Culture

Nathan Fabian
Policy & Research

Graeme Griffiths
Global Networks & Outreach

Kris Douma
Investment Practices & Engagements

Lorenzo Saà
Global Networks & Outreach
PRI Board

Chair

Martin Skancze
Independent
Term limit: 2020

Directors elected by asset owners

Angela Emstlie
HESTRA (Australia)
Term limit: 2018

Eva Halvarsson
AP2 (Sweden)
Term limit: 2019

Priya Mathur
CalPERS (US)
Term limit: 2020

Hiromichi Mizuno
GPJF (Japan)
Term limit: 2019

Renosi Mokate
GEFF (South Africa)
Term limit: 2020

Xander den Uyl
ABP (Netherlands)
Term limit: 2018

Directors elected by non asset owners

Sandra Carlisle
HSBC (UK)
Term limit: 2018

Tycho Sneyers
LGIT (Switzerland)
Term limit: 2020

Peter Webster
Vigeo Eiris (France)
Term limit: 2019

Permanent UN advisors

Lise Kingo
UN Global Compact

Eric Usher
UNEP FI
Q&A

Over to you
2018 PRI Board director elections

Martin Skancke, PRI Chair
Asset owner election: 3 positions

Angela Emslie,
Independent Chair of the Board,
HESTA Super Fund
(Australia)

Laetitia Tankwe,
Advisor to the President of the
Board of Trustees, Ircantec
(France)

Renato Proença Lopes,
Equity Director, PREVI
(Brazil)

Xander den Uyl,
Trustee, ABP
(The Netherlands)
Investment manager election: 1 position

Runa Alam,
Co-Founding Partner and CEO, Development Partners International (UK)

Sandra Carlisle,
Director, Senior Responsible Investment Specialist, HSBC Global Asset Management (UK)

Wendy Cromwell,
Vice Chair, Director, Sustainable Investment, Senior Managing Director and Portfolio Manager, Wellington Asset Management (US)
2018 election process

- Meet the candidates at the PRI stand today, 15:10-15:40
- Candidate videos and statements will be posted today on the PRI website
- Asset owner signatories vote for asset owner candidates. Investment manager signatories vote for investment manager candidates.
- Voting period: between weeks commencing 1 October and 19 November
- For more information on the elections see: www.unpri.org/elections
Thank you, enjoy your time in San Francisco!