

PRI ASSOCIATION BOARD CODE OF ETHICS AND CONDUCT

Approved by the PRI Board in September 2019

The purpose of this document is to provide the PRI Association Board (Board) with guidance on the professional standards expected of them in their role as PRI Board members. This document explicitly applies to PRI Board Directors and UN Advisors (collectively known as 'Board members').

This document is not an exhaustive list of guidelines, and Board members should exercise their own judgement when carrying out their professional duties, to ensure that they do not bring the PRI into disrepute. Board members must also act in accordance the letter and spirit of laws and regulations in the United Kingdom, where the PRI Association is registered.

The PRI Executive will support Board members in performing this role, by for example providing comprehensive inductions for new members of the Board; and maintaining an open and honest dialogue with Board members.

This Code of Ethics and Conduct should be read together with:

- [Directors' Terms of Reference](#)
- [UN Advisors' Terms of Reference](#)
- [Articles of Association \(Articles\)](#)
- [Diversity Policy](#)
- [Grants Policy](#)
- [Human Rights Policy](#)
- [Procurement Policy](#)
- [Serious Violations Policy](#)
- [Whistleblowing Policy](#)

To the extent that there is any inconsistency between the Code of Ethics and Conduct and the Articles, the Articles will prevail.

This document is structured into two parts:

1. [Code of Ethics](#): guidelines on the behaviour expected of the Board.
2. [Code of Conduct](#): minimum requirements on the actions and practices of the Board. The Code of Conduct covers policies on [conflicts of interest](#); [bribery](#); [whistleblowing](#); [confidentiality](#); [harassment and discrimination](#); and [audit](#).

The Code of Ethics and Conduct [concludes](#) by outlining the processes that Board members should follow for reporting violations of the code; and the procedures of the removal of a Board member.

CODE OF ETHICS

PRI's mission

“We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.”

As an advocate for responsible investment and the incorporation of Environmental, Social and Governance (ESG) factors in investment decision-making, it is important that the PRI Association practices and demonstrates good and appropriate governance itself. The PRI believes that good governance is about fairness, accountability, responsibility and transparency, that in turn will aim to maintain trust and confidence amongst its Signatories.

Board members have a duty to uphold the integrity of the PRI by ensuring that their professional behaviour and conduct is consistent with the PRI mission above, and six values set out below.

Principles driven

The Principles should underpin the Board's work and be at the heart of all decisions. Board members are expected to be ambassadors for the Principles, the PRI Initiative, its work and mission, and the value it brings to Signatory organisations.

Directors are also expected to ensure that the Signatory with which they are connected maintain their status as a Signatory in good standing at all times.

Authenticity

Board members are expected to fulfil their duties in the best interests of the PRI as a whole. Board members have a duty to exercise independent judgement, by acting in their personal capacities and, are in no way delegated to represent any group or organisation, including the Signatory with which they are connected.

Cooperation

Board members have a duty to treat colleagues, Signatories and staff with courtesy and respect. Board members are expected to value fellow colleagues, even when there are differences in opinion.

Openness

Board members are encouraged to be as transparent with colleagues, staff and Signatories as possible. This is regarding the work undertaken and decisions made by the Board, whilst also being mindful of confidentiality requirements.

Board members have a duty to ensure that information about the PRI is communicated to stakeholders in a clear, fair and balanced way.

Empowerment

Board members are expected to support and encourage colleagues and staff to perform to their best abilities, by contributing to the development of good policies and decisions to support this, and ensuring that good governance and structures are in place.

Responsibility

The PRI Board is collectively responsible for the long-term success of the PRI, and in turn Board members are accountable to Signatories, for that success. Board members are encouraged to seek to understand Signatories' views and concerns.

Board members have a duty to manage the finances of the company responsibly and prudently, for the objects of the PRI, by ensuring that there are adequate controls in place and that they have appropriate oversight.

CODE OF CONDUCT

Conflicts of interest

Board members have a duty to act in the best interests of the PRI, and to avoid situations where there may be a potential conflict of interests.

A conflict of interest exists when a Board member has a personal or financial interest which may directly or indirectly conflict with the duty that they owe to the PRI. Potential conflicts include, but are not limited to:

- interest in a Signatory organisation;
- relationship with a PRI employee;
- relationship with supplier; and
- other board positions.

Board members are required to declare any interests at the start of every Board meeting, and record them in the register of interests on an ongoing basis.

During specific discussions directly or indirectly related to a potential or actual interest of a member, they must declare their interests to the Board Chair before any discussion on the item takes place, and withdraw from any discussion or vote related to this, as the Board Chair considers appropriate. A conflict of interests may be authorised if:

- the unconflicted Board members consider it in the interests of the Company to do so in the circumstances applying;
- the conflict has been previously recorded in the register of interests; and
- the terms of the Procurement Policy are followed.

Where a conflict is authorised, the unconflicted Board members, as they consider appropriate may set out express terms of the authorisation.

Bribery

The PRI takes a zero-tolerance approach to bribery and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.

Board members must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Board members must not offer, solicit, or accept any gift, benefit, compensation, or consideration that could reasonably be expected to compromise their own, or another's, independence and objectivity. This includes, but is not limited to:

- accepting a payment, gift or hospitality from a person or organisation, with the expectation that it will provide a business advantage for them or anyone else in return;
- giving, or offering a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- accepting indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, Signatories, suppliers or other third parties.
- accepting personal payment for speaking or other engagements (where payment is necessary, this must be made to the PRI);
- offering or accepting a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the Board Chair or Governance Committee Chair;
- offering or accepting a facilitation payment to secure or speed up a process or action, to benefit the party making the payment.

Board members are also required to follow the following rules regarding gifts and hospitality:

Gifts

Accepting payments of cash, stocks, loans or similar items are strictly prohibited and must be returned immediately. Board members must not accept gifts, services or any other benefit valued at more than £100. Gifts valued at less than £100 can be accepted, but must be disclosed to the Director of Planning and Operations within seven days. If the value of a gift is undetermined, it must be returned. Board members may accept promotional items without significant value, and which are distributed routinely.

In some international business transactions, it is customary and lawful for business leaders in a host country to give gifts. Because refusing the gift could offend the host, such gifts may be accepted. If

the gifts are valued at more than £100, they must become the property of the PRI, which will then be donated to a charity aligned to the PRI mission.

Hospitality

Board members may accept reasonable and appropriate business entertainment such as dining if the purpose of the event is to hold business discussions or to foster better business relations. Board members must use their judgement about appropriate business entertainment, and avoid activities that go against the values of the PRI, or might bring the PRI into disrepute.

Whistleblowing

It is the role of the Board members to establish and maintain a culture of good practice with regards to whistleblowing and to support anyone who raises genuine concerns in good faith under this policy. Board members have a duty to thoroughly investigate and deal with any reports of fraud, misconduct or wrongdoing by members of staff, Signatories and other Board members.

See the Whistleblowing Policy for further guidance.

Confidentiality

Board members must treat all information and documents obtained as a result of their role as a Board member as confidential, and must go to reasonable measures to protect it reaching unauthorised access. Materials include, but are not limited to:

- Information pertaining to matters of strategic importance;
- staffing matters;
- inside information, which can be summarised as information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers and which, if it were made public, would be likely to have a significant effect on the price of an issuer's securities.

Board members must always abide by the [EU General Data Protection Regulation \(GDPR\)](#). The GDPR applies to 'personal data', meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.

Board members must get the approval from the Head of Press before making statements to media outlets on behalf of the PRI.

Harassment and discrimination

The PRI is committed to ensuring that all individuals who come into contact with the PRI, are treated with dignity and respect; and providing a safe, supportive and welcoming environment for colleagues and visitors alike. Board members are expected to establish good practice and oversee the implementation, with the aim of ensuring that the PRI workplace is free of harassment and discrimination, as well as upholding good practice in PRI Board member roles.

Harassment can include sexual harassment, offensive jokes, slurs, assault, ridicule and intimidation. Harassment is often subtle and is commonly understood as behaviour that creates an atmosphere that makes people feel uncomfortable.

Discrimination can take many forms, including treating someone differently because they possess a particular characteristic or introducing a policy that affects specific individuals more than others. Board members must ensure that they do not discriminate, directly or indirectly against someone on the grounds of:

- age;
- care giving responsibilities;
- disability;
- economic background;
- gender reassignment;
- marriage and civil partnership;
- paternity;
- pregnancy and maternity;
- race;
- religion or belief;
- sex and
- sexual orientation.

Audit

PRI Board members must ensure that auditors observe high-quality auditing and ethical standards. To limit the risk of possible conflicts of interest, non-audit services (and fees paid) must be approved in advance by the Finance, Audit and Risk committee and disclosed in the annual report. No audit firm staff involved in the audit should be rewarded in any way for selling, or the provision of non-audit services.

PROCEDURES

Board members must report to the Board Chair, or relevant committee Chair any behaviour of another Board member that they believe to be in breach of this Code of Ethics and Conduct, or any other policies outlined in this document. The respective Chair will then make an assessment on whether the concern should be brought to the attention of the Board.

Any Board member that raises genuine concerns in good faith, even if they turn out to be mistaken will not suffer any detrimental treatment.

For issues that a Board member may not feel comfortable raising with the Board, including issues with the Board Chair, Board members are encouraged to contact the Chair of the Governance Committee, or the Director of Planning and Operations.

For situations that arise where it is difficult to determine the proper course of conduct, Board members should contact the Director of Planning and Operations.

Removal of Board directors (within the terms of the Code of Conduct and Ethics)

The office of a Board member is immediately vacated if they:

- are in violation of the Code of Ethics and Conduct; and / or
- have brought the Company or initiative into disrepute;

and, after having been given an opportunity to be heard, is accordingly removed by a resolution of the Board approved by two thirds of all Board directors other than the member who is the subject of the resolution for removal.

Review

The Code of Ethics and Conduct will be reviewed annually by the Governance committee.