

2018
SIGNATORY
GENERAL MEETING

**PRI
BOARD
REPORT**

AGENDA

The 2018 Signatory General Meeting (SGM) will be at 10:45-12:15 on Wednesday 12 September 2018 in the San Francisco Marriott Marquis, as part of PRI in Person.

1. PRI BOARD REPORT

Martin Skancke, Chair, PRI Board
(10:45-11:00)

2. MANAGEMENT AND FINANCIAL REPORT

Fiona Reynolds, CEO, PRI
(11:00-11:30)

3. Q&A

Martin Skancke, Chair, PRI Board and Fiona Reynolds, CEO, PRI
(11:30-12:00)

4. 2018 BOARD DIRECTOR ELECTIONS

Martin Skancke, Chair, PRI Board
(12:00-12:15)

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. The board encourages signatory participation, either in person, via webcast or for those outside the time zone by submitting questions in advance. The SGM 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 SGM will be webcast for signatories that cannot attend in person. For more information on how to participate by webcast and submit questions in advance, email governance@unpri.org.

The PRI sought input from signatories on the Signatory General Meeting (SGM) draft agenda in June 2018 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 12 July. However, time has been set aside for signatories to ask questions. If you have detailed financial or legal questions, please submit these by 10 September to governance@unpri.org.

CHAIR INTRODUCTION

The PRI Board is working well and we are constantly working to improve our performance. The board agreed to five priorities for 2017/18:

1. **PRI 2018-21 strategy.** The board discussed the strategy over a series of meetings. The board provided guidance on critical elements for the strategy and reviewed the Executive's draft proposals. The PRI's 10-year Blueprint was the framework for our strategic discussions, with a focus on the priorities and resources to start effectively implementing the Blueprint objectives. During these discussions the board has also been considering the strategy through the lenses of signatory value and regional specificity (rather than a one size-fits-all approach to implementation). The board has also considered at length how to measure the PRI's success against the Blueprint objectives. The PRI will aim to give a holistic picture of progress made, using qualitative and quantitative reporting. Our reports on progress will be candid and open, an opportunity to be self-critical, invite signatory participation and challenge signatories to act. The [2018-21 strategy](#) was approved by the board post signatory consultation.
2. **Asset owner recruitment.** From its inception the PRI's theory of change has been that asset owners can drive responsible investment through the investment chain. 39 new asset owner organisations signed the Principles in 2017/18, above the target of 38 new asset owner signatories (gross). This positive outcome is the result of solid foundations, meaningful conversations with prospective signatories takes time. Once an organisation does sign, we are keen to ensure that signatories make the best use of the PRI's resources. The asset owner consultation, a survey and series of roundtables from March to July this year, is seeking to understand better how the PRI can empower asset owners, the ESG issues that are important to asset owners and the PRI 'services' that these signatories find useful. We hope that the results of this consultation will both reinforce existing efforts and help us to develop new areas of support to empower asset owners.
3. **PRI's geographic reach.** The PRI continues to expand its support for signatories in their local networks. Signatories report that they derive a lot of value from local PRI network support that understands the dynamics and priority ESG issues in their respective markets. Over the past year the PRI has added network staff in Beijing, London and The Hague. The board had an outreach and fact-finding focused meeting in June in Beijing. The aim was to develop a deeper knowledge of the Chinese market to form the basis for the PRI's strategy in China. There are already a number of informational exchange initiatives underway and I think that a lot of ESG and responsible investment issues really resonate in China at present. We will keep signatories informed of key planned initiatives in China.



Martin Skancke,
Chair, PRI

4. **Outreach to leaders within signatories and non-signatories.** My priority over the past year has been outreach to Asian markets. I have met with signatories, potential signatories and important stakeholders in China, Korea, Malaysia and Singapore. These meetings, accompanied by PRI staff, are building relationships at the leadership level and developing our understanding the respective markets. I attended the International Forum of Sovereign Wealth Funds annual meeting and continue to be a member of the FSB Taskforce on Climate-related Financial Disclosure (TCFD). Climate is the number one ESG issue for our signatories. I think that the close collaboration between the TCFD and PRI has been very beneficial for both the development of the framework itself and signatories understanding of climate risk.
5. **Executive oversight and support.** The Board has oversight of the implementation of the strategy principally via the management report, a standing item for every Board meeting. The report is an opportunity for the CEO to raise issues of concern or big issues on the horizon, seek advice and to celebrate recent achievements. Routine reports within the management report include: key performance indicators; updates on key initiatives; recent and forthcoming publications; quarterly signatory update; financial accounts; partnerships and fundraising updates; human resources report.

The Board continues to put considerable effort into improving its effectiveness. The PRI's Articles mandate that the board conducts a periodic external assessment of its effectiveness. In April 2018 the PRI retained Nestor Advisors to facilitate the review. I am glad to report that the reviewers concluded that the PRI has a well-functioning board with committed and engaged board members. However, board members feel that they can perform better as PRI ambassadors, with better support from the Executive. To maintain engagement and quality of discussion the board wants to meet more frequently, raising their commitment from three to four in person meetings annually. The review also identified recommendations on how the board committees and Executive can more effectively support the board.

I would like to thank the directors that departed the board in December 2017, Marcel Barros (PREVI) and Geeta Aiyer (Boston Common Asset Management) for their valuable input during their terms. The PRI hopes to continue to benefit from the expertise of the departing board directors.

At the start of this year we welcomed two newly elected and two re-elected directors that will bring their perspectives, skills and knowledge to the Board:

- Marcus Madureira, Planning Director, PREVI (Brazil) (*elected for a first term*)
- Priya Mathur, Board President, CalPERS (US) (*re-elected for a third term*)
- Renosi Mokate, Chairperson of the Board of Trustees, Government Employees Pension Fund (South Africa) (*re-elected for a second term*)
- Tycho Sneyers, Managing Partner, LGT Capital Partners (Switzerland) (*elected for a first term*)

In this year's election there are three asset owner positions and one investment manager position up for election. Skills, experience and diversity are critical to a high performing Board. The PRI is a global organisation, and aims for global representation on its Board, particularly within the asset owner positions. For the extra asset owner position, due to the resignation of Marcus Madureira (PREVI, Brazil), the board is encouraging candidates from South America.

The board is encouraging all candidates with leadership and governance experience. Candidates will also be asked to elaborate in their statements on their demonstrated leadership within responsible investment, ESG expertise and other experience relevant to the long-term success of the PRI. The current gender balance amongst the elected directors is fairly evenly balanced (six males; five females). However, two female directors are coming to the end of their first terms in 2018. The board is therefore also encouraging female candidates.

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 four new directors, approve the SGM minutes, confirm the auditor and vote for the PRI Annual Report and Accounts.

I encourage you to read the full [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 accountability to signatories.

If you would like to discuss any aspect of the PRI's governance with me or have any questions about the proposals for my second three-year term, please feel free to email me at governance@unpri.org.

Martin Skancke,
Chair, PRI

PRI BOARD REPORT

DELIVERING ON ORGANISATIONAL PURPOSE

The board remains focused on the PRI's purpose and long-term strategy. Board agendas are set by the Chair, with input from the Managing Director, and are structured to focus on the PRI's strategic issues. The board has agreed to a high-level agenda for the 2018-21 strategy cycle. The aim is to ensure that the Board systematically engages with each Blueprint objective (as well as the strategic enablers) during the three-year strategy cycle. The agenda items planned for later in the cycle are more indicative. At every March meeting the Executive will present a qualitative and quantitative assessment of progress against the nine Blueprint objectives.

Key strategic discussions

The board had a number of key strategic discussions throughout the year:

- 2018-21 strategy. At the June 2017 meeting the board provided guidance to the Executive on the priorities and resources for the next three years. Key elements for the consideration of the Executive:
 - ESG integration remains core to the PRI work.
 - Importance of empowerment of asset owners.
 - Global strategy, with complimentary tailored regional strategies.
 - Signatories at different stages of the RI journey.
 - Core work, non-core work and value adding extra funding requirements.
 - How to effectively communicate with signatories.
 - Key partners for the PRI.
 - Organisational structure, skills and experience that will deliver the strategy.
 - Plan for signatory growth and levels of core reserves over the 3 years.
 - Measures of success.

At the September 2017 meeting the board provided feedback on the first draft 2018-21 strategy, particularly on the level of ambition, the need for focus on signatory value, progress and impact, the importance of an effective digital strategy, the role of the PRI networks, and how to best leverage the PRI's convening power. Signatories were consulted on the 2018-21 draft strategy after the September meeting. The board approved the strategy, post-consultation, at the November 2017 meeting.

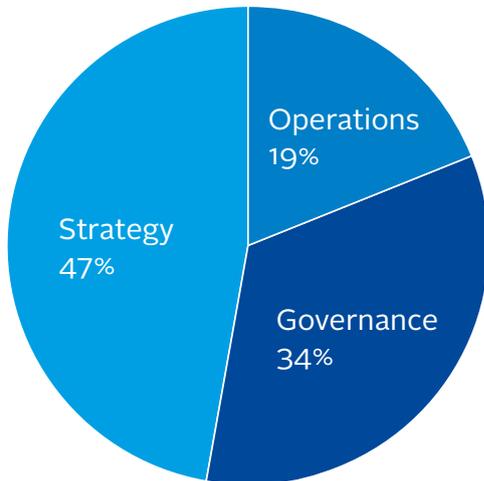
- **10-year Blueprint and 3-year strategy measures.** Board discussion concentrated on the level of ambition, attribution of the PRI's impact, prioritisation of activities that will contribute to the measures and how the three-year measures build towards the ten-year outcomes. The board agreed that framing the ten-year measures is difficult. The framing requires a broader qualitative context and analysis, which the quantifiable measures will contribute towards. Otherwise there is a risk that the board, Executive and / or signatories focus too much on what can be measured and these are the only indicators of success (or not), rather than a more holistic picture. The board proposed that the Executive present to the board an annual qualitative and quantitative assessment of progress against the nine Blueprint objectives. This could include an assessment of PRI actions, the external environment, signatory engagement, resources deployed or required and a traffic light rating. This will be an opportunity for the Executive and board to question the theory of change assumptions for each objective. The presentation to signatories, via the annual report and Signatory General Meeting, on progress against the nine objectives should be candid and open. The report on progress will be an opportunity to be self-critical, invite signatory participation and challenge signatories to act.
- **2018/19 budget.** The Blueprint for responsible investment sets out our high-level ambitions for the next decade. The 2018/19 budget represents the first of the 2018-2021 planning cycle. The budget for the financial year provides for: strengthening of PRI capacity and expertise in key markets; growth of the Sustainable Financial System and SDG work programmes; growth in policy and research work; a continuing investment in education and the PRI Academy; further development of the PRI's digital capabilities, including ongoing development of the collaborative engagement platform; and improvement in the company pension scheme, which also reflects new auto-enrolment legislation. The proposed budget plans for a loss of c.£450k. The board discussed the risks set out in the budget paper, including falling AUM and shifting fee bands, and exposure to growth in signatory numbers. The board approved the budget and discussed longer term plans, including signatory fees for 2019 and beyond. The PRI has an ambitious Blueprint, endorsed by signatories, and certain areas have required a growth in funding. The board agreed that new investment should provide signatory value, such as the investment in digital and networks staff. Nonetheless there should be efficiencies to be gained across the organisation and there is potential for increased grant funding.

- **Signatory accountability – minimum requirements.** The board discussed the proposed measures to enhance signatory accountability as well as the means, timeline and risks inherent in this process. The advantage of the proposed approach is that the clear criteria are binary, based on self-assessment and there is no element of judgement. The board agreed that the accountability measures were necessary, but the PRI should not place too much emphasis on the measures. The board stressed the importance of effective communication on the accountability measures: the PRI's core work is to drive responsible investment through a market approach; the objectives of the accountability measures are to encourage signatories to implement the Principles, as well as protecting the credibility of PRI initiative by delisting signatories that are taking no action.
 - **Showcasing leadership.** The PRI committed in the Blueprint to showcasing leadership and increasing accountability. The PRI plans to showcase leadership via awards and via reporting framework data. The showcasing leadership programme is scheduled to be launched at PRI in Person 2019.

 - *Showcasing leadership via awards.* Awards one means of rewarding leadership and highlighting top performers. The aim is to share examples of best practice to educate and inspire the signatory base. Awards will be project-based, self-nominated and independently judged. The board advised the Executive to start with a small number of awards and develop the programme over time. The board agreed to the awards process as set out.
 - *Showcasing leadership via reporting framework data.* The board had a series of discussions on this aspect of showcasing leadership, exploring the proposed leadership criteria, the recognition of leadership and the range, depth and variety of leadership examples that might be showcased. The board agreed that showcasing leadership via the reporting framework should focus on educational benefits and highlight selected leadership topics.
 - **Sustainable Development Goals.** The board had several discussions on the progress of the PRI SDG programme and future direction. The PRI has already undertaken a number of initiatives: established of the SDG Advisory Committee; published the SDG Investment Case¹; completed the [Megatrends study](#) (with Willis Towers Watson) of which SDGs were a key element; established the Global Alliance for SDG Finance, with UNGC and UNEP FI; and supported the “Action Platform Reporting on the SDGs”, co-led by the UNGC and GRI. The board had a broad discussion on the SDGs and how the PRI can best enable real-world impact aligned with the SDGs. There are numerous SDG aligned initiatives. The board agreed that the PRI needs to be consistent and avoid adding to potential SDG fatigue. The board agreed that to provide signatory value the PRI's SDG guidance must be investor relevant. Possible areas for the PRI to explore include: mapping investor relevant elements of national SDG plans; a unifying framework to measure and report on SDG impact; sharing concrete examples of investor action on the SDGs; thought leadership on how to make SDGs integral to investment policy and decision-making.
- During the year the board received presentations and updates on ongoing programmes, including: PRI Academy progress; the Sustainable Stock Exchanges initiative; the development of the Reporting Framework to include Service Provider reporting and the alignment with the TCFD framework; the Fiduciary Duty in the 21st Century project; work to drive ESG integrated investment consulting services; and asset owner coverage and recruitment. The board also received a presentation on the progress of responsible investment and the PRI in the US market.

¹ https://www.unpri.org/download_report/42251

Board discussions during the year



Strategy

- 2018-21 PRI strategy, long-term funding and measures
- Signatory accountability – minimum requirements
- Showcasing signatory leadership
- PRI Academy
- Fiduciary duty in the 21st century
- Stewardship codes and the PRI's role
- Sustainable Stock Exchanges
- Sustainable Development Goals
- High-Level Expert Group on Sustainable Finance
- Principles for Investors in Inclusive Finance
- Service Provider reporting via the PRI Reporting Framework
- PRI Reporting Framework and TCFD alignment
- Investment consultants Sustainable Financial System project
- Asset owner recruitment and coverage
- US market
- PRI in Person

Governance

- Signatory categorisation guidelines
- Signatory accountability - serious violation of the Principles
- Chair second term nomination
- Signatory General Meeting key messages
- Whistleblowing policy
- 2017 PRI Board election results
- 2018 PRI Board elections guidance and process
- CEO performance assessment
- Chair performance assessment, contract and priorities
- Signatory and stakeholder interaction
- PRI Board committee reports

Operations (inc. monitoring performance)

- Chair report
- Management report
- Executive pay review and pension contributions
- 2018-19 budget and mid-year review
- Staff engagement survey results
- Human resources policies

LEADERSHIP

The board is collectively responsible for the long-term success of the PRI, in particular:

- establishing the PRI's mission, vision and values;
- setting the strategy, risk appetite and structure;
- delegating the implementation of the strategy to the PRI Association Executive (the Executive);
- monitoring the Executive's performance against the strategy;
- exercising accountability to signatories;
- being responsible to relevant stakeholders.

Matters reserved for Board approval are listed in the Directors' Terms of Reference. There are clear division of responsibilities and roles set out in the terms for the Chair, Directors, Permanent UN Advisors and Managing Director.

PRI Board agreed policies

- [Chair's Terms of Reference](#)
- [Code of Ethics](#)
- [Directors' Terms of Reference](#)
- [Diversity Policy](#)
- [Election Rules](#)
- [Human Rights Policy](#)
- [Grant Policy](#)
- CEO Terms of Reference
- [Permanent UN Advisors' Terms of Reference](#)
- [Procurement Policy](#)
- Signatory Accountability rules
- [Signatory Categorisation Guidelines](#)
- [Signatory Rules](#)
- [Signatory General Meeting Rules](#)

The board has agreed to a set of organisational values. All staff receive 360° feedback from a survey focusing specifically on behaviours, through the lenses of competencies and values. This is designed to bring objectivity and the values into to the appraisal process and the feedback will contribute toward each performance evaluation .

THE PRI'S SIX CORE VALUES

PRINCIPLES DRIVEN

The Principles underpin our work and provide an opportunity to contribute to a more sustainable society

AUTHENTICITY

We are true to our organisation, its mission and ourselves

COOPERATION

We work together constructively with mutual respect and enthusiasm

OPENNESS

We welcome diversity and expect transparency in our activities

EMPOWERMENT

We support and encourage each other to perform to the best of our abilities

RESPONSIBILITY

We take ownership for our actions and outcomes

Commitment

All Board directors and the UN permanent advisors remain committed to their roles on the PRI Board. The board met three times in person and once via conference call during the year. Time commitment expectations have been more clearly articulated in the election materials and attendance at board and committee meetings is good.

Board members also devote a significant amount of time to signatory meetings alongside the board meetings and within their local markets. All board members are required to be present at the Signatory General Meeting. For more information on the attendance records see the [tables below](#).

INTEGRITY

Board directors must abide by the Code of Ethics and the Directors' Terms of Reference. Also, every election candidate is asked to state that they "Will not bring the PRI Board or PRI Association into disrepute if elected". At every meeting, Board directors are given the opportunity to declare relevant interests, which are recorded in the register of interests. Interests can include commercial relationships between Board members or between the Chair and signatory organisations.

The board also discussed how to maintain the integrity of the PRI in the scenario where a signatory acts in a manner that is counter to the spirit of the initiative. The PRI's integrity is dependent both on the actions of the PRI and collective commitment and good efforts of PRI signatories to the PRI, its objects and the implementation of the Principles. Signatories were consulted on a Serious Violations Policy², one means to safeguard the reputation, integrity and good efforts of the PRI and its signatories. The purpose of the formal policy is to provide the board and Executive with a formal process to reference when there is an allegation of a serious violation; and assurance to signatories that there is a process and predictable response to a serious violation.

DECISION-MAKING, RISK AND CONTROL

Delegation and control

The board approved the new Signatory Accountability rules³. The new rules set out the the minimum requirement criteria and the formal process for engagement and at a last resort delisting.

The board also approved five new or revised HR related policies during the year:

- Grievance policy
- Discipline policy
- Flexible Working policy
- Whistleblowing policy
- Dignity at Work policy

These policies were recommended by the HR and Remuneration committee. For a summary of the committee's work see [here](#).

Risk

The Finance, Audit and Risk committee reports to the Board at every meeting on changes to important operational risks. The committee also asked the Executive to consider the strategic risks associated with the nine Blueprint objectives. These strategic risks will be integrated into future board discussions on the Blueprint objectives. For more information see the committee report [below](#).

Management report

The Board has oversight of the implementation of the strategy principally via the management report, a standing item for every Board meeting. The report is an opportunity for the CEO to raise issues of concern or big issues on the horizon, seek advice and to celebrate recent achievements. Routine reports within the management report include: key performance indicators; updates on key initiatives; recent and forthcoming publications; quarterly signatory update; financial accounts; partnerships and fundraising updates; human resources report.

² https://www.unpri.org/Uploads/z/a/a/PRI-consultation_Serious-violations-policy.pdf

³ <https://www.unpri.org/Uploads/p/j/v/2018-Signatory-Accountability-Rules.pdf>

BOARD EFFECTIVENESS

2016 Board self-assessment

The 2016 survey was structured into three parts:

1. Effectiveness of the Board against Board goals and role:
 - a) Strategic plan and oversight of the implementation
 - b) Monitoring operations, including risks
 - c) Signatory relations and rights
 - d) Elements of Board effectiveness
 - e) Board behaviours and dynamics
2. Narrative questions (PRI Board strengths; how to increase the Board's effectiveness: focus areas for the next year; suggestions for Board specific training)
3. Self-reflection on performance

The results were generally positive. The board discussion of the assessment results celebrated the reported strengths of the PRI Board (Chair leadership, positive relationship between the Board and Executive, and oversight of the PRI's governance), explored divergent opinions and collectively agreed on measures to improve the Board's effectiveness. The board agreed to several measures to improve its effectiveness.

Measures to improve effectiveness (2017)		
Area	Action	Progress
Mission	Focus on mission	Focus on the 2018-21 strategy at the July, September and December 2017 Board meetings.
Diversity	Encourage diversity of viewpoints	Board discussions structured, where possible, to allow for better utilisation of the geographic diversity of perspectives and skills of the directors.
Board role	Increase Board outreach & ambassadorial role	A 'Signatory and stakeholder interaction' agenda item has been introduced into the Board agenda, for Board members to provide their feedback on recent meetings and conversations with signatories as part of their ambassadorial roles.
Participation	Improve board and committee participation	<ul style="list-style-type: none"> ■ More interactive Board sessions planned. ■ Creating a sense of trust and cohesiveness amongst the Board, through Board only dinners and restricting the number of Executive in attendance at the Board meetings. ■ Better committee planning of the annual committee meetings and scheduled agenda items.
Board papers	Improved Board papers	Better guidance to the Executive for more analytical and strategic board papers.
Committees	More effective committees	<ul style="list-style-type: none"> ■ Revised committee paper format. ■ Revised committee paper vetting process. ■ Better use of committees' delegated authority.
Board goals	Set Board goals for the forthcoming year	<p>The Board agreed to five focus areas for 2017:</p> <ol style="list-style-type: none"> 4. PRI 2018-21 strategy 5. Asset owner recruitment 6. PRI's geographic reach 7. Outreach to leaders within signatories and non-signatories 8. Executive oversight and support

2018 Chair assessment

The Chair assessment was led by the Skills, Diversity and Elections committee. The assessment was structured into three areas:

- 1) Leadership of the Board, ensuring its effectiveness and working with the Executive;
- 2) Performance on the agreed four priorities for the chair in 2017:
 - I. Oversight of the development of the 2018-21 PRI strategy, aligned with the Blueprint objectives;
 - II. Asset owner recruitment; and
 - III. Signatory and stakeholder engagement in the US, Emerging markets and Asia.
- 3) Feedback on focus activities for the Chair in 2018/19.

The results were very positive on the leadership of the Board and performance on the agreed three priorities. Board members agreed four priority areas for the Chair in 2018:

- I. Leadership of the Board (inc. working with the Executive on strategy)
- II. Climate strategy (including the chair's role on TCFD role)
- III. Sustainable Development Goals strategy
- IV. Strategic asset owner recruitment

2018 PRI Board external review

The PRI Articles require the board to instruct an independent expert to conduct, and report in writing on, an independent review of the functioning of the Board every 3-4 years and the Chair must report the results of the independent expert's review to the next Signatory General Meeting. In April 2018 the PRI retained Nestor Advisors to facilitate the external assessment of the effectiveness of its Board.

All board members took part in an online questionnaire. This questionnaire largely echoed the 2016 assessment survey for ease of comparison. Nestor Advisors then conducted 1-1 interviews with all board members and selected members of the Executive. The review analysed the performance of the board according to six themes, identified as the necessary elements for a board to engage, direct, decide and control:

- A. **Role of the Board and Directors.** Role of the board vis-à-vis strategy development, oversight of financial/operational performance, operations and finance allocation, effective oversight of controls and risk management, interactions with management, strategic HR.
- B. **Board Relationships.** Interactions with signatories and other stakeholders, interactions with the UN.

- C. **Board Composition and skills.** Board size, board skills, director profiles and skills, representation of signatory classes.
- D. **Board Functioning and Dynamics.** Meeting length, number of meetings, agenda setting.
- E. **Board Processes and Support.** Minutes, board papers, director workload, effectiveness of board support by the secretariat & management, induction processes, board evaluation processes, board training.
- F. **Board Committees.** Adequacy of committee reporting to board, delegation to board committees, role of board committees.

Overall the external review concluded that the PRI Board is a well-functioning board with committed and engaged board members. There is also a perceived improvement in the functioning of the board over the past two years. (For an executive summary of the external review see [here](#).) At the June 2018 meeting the board discussed the recommendations to improve its effectiveness.

- **Ambassadorial role.** Board members agreed that being ambassadors for the PRI was an important part of their roles. Board members perform an ambassadorial role for the PRI in their own markets and abroad. To perform this role effectively, board members need to be kept better informed on an ongoing basis. This includes information on events, publications and PRI activities, across different markets, but especially in their own. The Executive could also consider how to engage board members more systematically in an ambassadorial role.
- **In person meetings.** There was a consensus that the board met too infrequently and support for a fourth in person meeting in December. The proposal is to have the two meetings in London, one meeting twinned with PRI in Person and one meeting in a signatory region.
- **Role of the committees.** Board members agreed that committees could more effectively support the board. Finding the balance between the role of the board, committees and management is an issue for most boards but there could be more clarity on the roles of the operational and strategic committees. The board agreed to review the roles of the committees and their terms of reference.
- **Strategic plan and risks.** Some board members thought that they didn't have effective oversight of the implementation of the strategy, including the implementation in different regions. The strategic risks will be addressed as part of the strategy process, during discussions on the nine Blueprint areas and part of the management reports. The Blueprint has helped the board to structure both the current strategy and future strategic discussions.
- **Board support.** The Board agreed that it is well supported by the Executive. The review has identified areas that can be improved, information provision at and between meetings, more strategic papers and the timeliness of committee papers.

DIVERSITY

The PRI Board is composed of:

- one independent Chair, nominated by the Board and confirmed by signatory vote
- ten directors:
 - seven elected by asset owner signatories;
 - two elected by investment manager signatories;
 - one elected by service provider signatories; plus
- two permanent UN advisors to the Board, representatives from the PRI's founding partners: UN Global Compact and UNEP Finance Initiative.

As set in the Diversity Policy the PRI is committed to promoting and encouraging diversity both in the work that it undertakes, promoting the implementation of the Principles, and in the Company's own operations, the board and Executive. The board aims to the appropriate balance of skills, diversity, experience, independence and knowledge of the organisation to enable it to discharge its duties and responsibilities effectively. 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 .

As part of the 2017 election process the PRI encouraged asset owner candidates from North America and Emerging Markets. Four female directors were coming to the end of their terms in 2017 and therefore to board encouraged female candidates to try to maintain gender diversity. In January 2018 the PRI was pleased to welcome two newly elected and two re-elected directors that will bring their perspectives, skills and knowledge to the Board:

- Marcus Madureira, Planning Director, PREVI (Brazil) (elected for a first term)

- Priya Mathur, Board President, CalPERS (US) (re-elected for a third term)
- Renosi Mokate, Chairperson of the Board of Trustees, Government Employees Pension Fund (South Africa) (re-elected for a second term)
- Tycho Sneyers, Managing Partner, LGT Capital Partners (Switzerland) (elected for a first term)

In September 2018 the Board will welcome Lise Kingo, CEO and Executive Director of the UN Global Compact as a 'Permanent UN Advisor'. Lise replaces Gavin Power, former Deputy Director at UNGC, who was instrumental in the launch of the Principles, a former PRI Advisory Council member and a permanent UN advisor to the PRI Board since its inception.

The 2018 PRI Board elections is for three asset owner positions and one investment manager position. The board is encouraging asset owner candidates from South America and all candidates with leadership and governance experience. Candidates are also asked to elaborate in their statements on their demonstrated leadership within responsible investment, ESG expertise and other experience relevant to the long-term success of the PRI. This information – as well as information on the nominating signatory, the candidate biography and statement – will enable the signatory electorate to more easily compare the skills, experience and diversity of the respective candidates.

The current gender balance amongst the elected directors is fairly evenly balanced (six males; five females). However, two female directors are coming to the end of their terms in 2018. The board is therefore also encouraging female candidates.

The candidates will be announced at the Signatory General Meeting and for more information on the elections see [here](#). The election process is overseen by the Skills, Diversity and Elections committee and more information on the work of committee is [below](#).



- Board members
- Board members elected in 2017

OPEN AND ACCOUNTABLE

Consultations

As a signatory-based organisation, the PRI encourages all signatories to participate actively in its governance and strategic direction, and provide feedback on strategically important matters via formal consultations. The PRI's Articles require the PRI to formally consult with signatories before the adoption of: its three-year strategic plan, making material changes to its governance structure, the Objects and/or Mission, the Principles or the signatory fee structure.

During the year the PRI conducted four signatory consultations.

1. Proposals and methods to strengthen signatory accountability (August-September 2017)
2. 2018-21 strategy (October-November 2017)
3. Serious violations policy (November-December 2017)
4. Asset owner consultation (March-July 2018)

The board has (or will) discuss in depth both the proposed consultations and the signatory feedback. For more information on the formal consultations see [here](#).

Formal consultations are just one means of engaging with PRI signatories. The PRI convenes numerous events and workshops. There are a number of advisory committees and working groups that overlap between regional networks, asset class specific work, work relevant to different signatory categories and ESG issues.

PRI Board as ambassadors

'*Signatory a stakeholder interaction*' agenda item has been introduced into the regular Board agenda for Board members to provide their feedback on recent meetings and conversations with signatories and as part of their ambassadorial roles.

Signatory General Meeting (SGM)

The PRI annual event is an important forum for dialogue between signatories and the Board, from the more structured dialogue in the SGM that includes a Q&A, to more informal gatherings and meetings throughout the three-day event. Again, this year the PRI Board meeting in September will immediately precede PRI in Person. Board members will be introduced at the SGM and the PRI encourages signatories to get in contact with board members.

Signatories approved the [2017 Signatory General Meeting minutes](#) via an online vote alongside the Board election vote.

Board reports (April 2017 – March 2018)

After every in-person Board meeting a summary report is posted to the PRI website. These reports include the main agenda items, a summary of the Board discussion and decisions, plus the planned agenda points for the next meeting. Signatories are always invited to provide input on these future agenda items or raise additional issues for Board consideration. Below are the reports from meetings during the financial year.

- [June 2017 Board meeting](#)
- [September 2017 Board meeting](#)
- [November 2017 Board meeting](#)
- [March 2018 Board meeting](#)

PRI BOARD DISCUSSIONS AND ACTIONS IN 2017/18

July 2017 (meeting)

- Approval of PRI Executive pay review and increase to pension contributions.
- Approval of Human Resources policies: Grievance; Discipline; and Flexible Working.
- Approval of board meeting allowance.
- Discussion of the signatory categorisation guidelines.
- Preliminary discussion on the 2018-21 strategy and long-term funding.
- Discussion of signatory accountability and showcasing leadership.
- Discussion of signatory accountability, serious violation of the Principles.
- Discussion of progress on the PRI Academy.
- Discussion on 'Fiduciary duty in the 21st century', stewardship codes and the PRI's role.
- Discussion on the Sustainable Stock Exchanges initiative's strategy.
- Discussion of PRI's Sustainable Development Goals work programme.
- Discussion on the Principles for Investors in Inclusive Finance (PIIF).
- Agreement to nominate the Chair for a second term.

September 2017 (meeting)

- Mid-year budget review discussion.
- Discussion of the 2018-21 strategy and funding.
- Approval of mandatory Service Provider reporting, starting in 2018.
- Discussion of the alignment of the PRI Reporting Framework with the TCFD framework.
- Discussion of the investment consultants Sustainable Financial System project.
- Discussion of asset owner coverage and recruitment.
- Discussion of the PRI's activities and progress in the US market.
- Approval of key messages for the Signatory General Meeting.

December 2017 (conference call)

- Approval of the 2018-21 PRI strategy.
- Discussion of the alignment of the PRI Reporting Framework with the TCFD framework.
- Approval of the signatory accountability measures, the revisions to the Signatory Rules and the Signatory Accountability Rules.
- Discussion of the proposals to showcase signatory leadership.
- Discussion of PRI in Person 2018.
- Approval of a Whistleblowing policy.
- Approval of the election results.

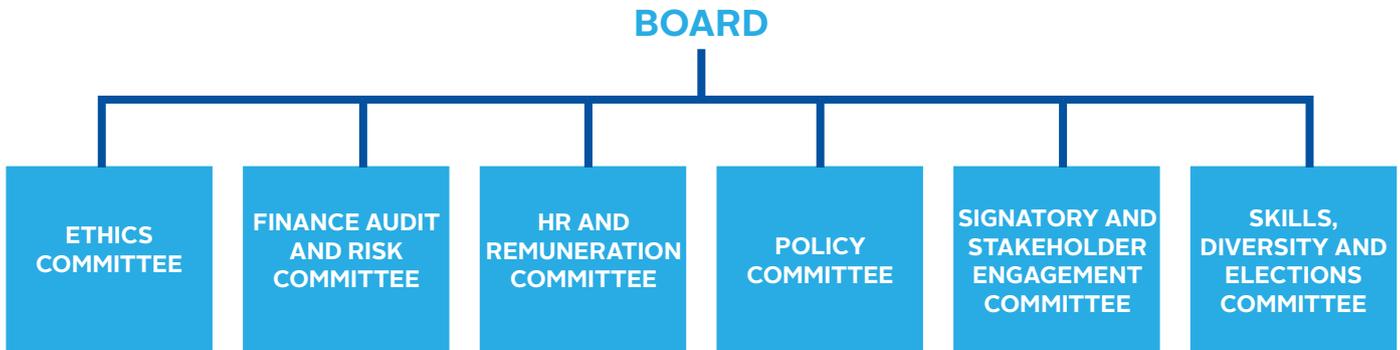
March 2018 (meeting)

- Approval of the 2018/19 budget.
- Discussion of the 2018-21 strategy measures.
- Discussion of the EU High-Level Expert Group on Sustainable Finance.
- Discussion on the PRI's Sustainable Development Goals work programme.
- Discussion of showcasing leadership via awards.
- Discussion of showcasing leadership via the reporting framework data.
- Discussion of the PRI Executive engagement survey results.
- Discussion on the signatory categorisation guidelines.
- Discussion on the 2018 elections, including skills desired and the election process.
- Discussion of the high-level PRI Board agenda for 2018-21.
- Approval of CEO priorities and time allocation for 2018/19.
- Approval of Chair contract and priorities for 2018/19.

Standing items at every Board meeting:

- Welcome from the Chair
- Declaration of interests
- Minutes
- Matters arising
- Signatory and stakeholder interaction
- Chair report
- Management report
- Committee reports
- 12 month rolling agenda
- Board in camera

PRI BOARD COMMITTEES



The Board has six supporting committees and they are critical to the Board's effectiveness. They are forums for the board and Executive to explore strategic and governance issues in depth and from different perspectives. They can give more time to issues and the work done by committees can save time at board meetings, helping the board to make more effective use of its time. Every committee has an annual work plan and calendar. The agenda, papers and minutes from every committee meeting are sent to all board members via a board portal. A report from the committees, on for information items, is a standing item for every board meeting. Recommendations from committees, that require board approval, are separate agenda items at board meetings. Each committee has a publicly available terms of reference.

Below is a summary of the work of the committees from April 2017 to March 2018.

ETHICS COMMITTEE

Members: Marcus Madureira**, Hiro Mizuno*, Renosi Mokate and Xander den Uyl (chair).

The committee is responsible for overseeing the values, ethics and good reputation of the PRI, including matters related to the PRI Association Board Code of Ethics.

The committee is an ad hoc committee, meeting only when required, and did not meet formally during the year.

[Terms of reference](#)

FINANCE AUDIT AND RISK COMMITTEE

Members: Eva Halvarsson, Priya Mathur***, Tycho Sneyers**** and Peter Webster (chair)

The committee assures the Board of: the veracity of the financial statements, the efficacy of risk management and the strength and appropriateness of control processes across the PRI. The committee's responsibility and authority covers the entire PRI Association and any joint ventures that may be entered into.

KEY DISCUSSION ITEMS:

- **Statutory accounts.** The committee met with the auditors, independently from the Executive, to review the PRI Association and PRI Enterprises audited statutory accounts for the year ended 31 March 2017. The committee recommended the PRI Board to approve the accounts. The committee considered the PRI subsidiaries, changes during the year, governance and risks; the valuation of assets; the creditor amounts; and any outstanding legal issues.
- **Operational risk register.** Risks are grouped into five broad categories: governance, strategy, reputation, finance and project/operations. Every identified risk has an owner and risks are scored according to potential impact and likelihood. After every committee meeting the risk register is updated and circulated to the board. The committee considered an organisation wide disaster recovery plan and discussed several risks in particular: Brexit and its implications for the PRI, cash reserves and cyber risks. The committee agreed to report changes to the risk register, new or escalated risks, to the board and generally integrate the discussion of risks into more board discussions.
- **Strategic objectives risks.** The committee had asked the Executive to consider the strategic risks associated with the nine Blueprint objectives. The committee encouraged the Executive to consider three levels to the risks: risks to the programme of works; risks to delivering impact and the model of change; risks to the relevance of the PRI's actions. Strategic risks will be integrated into the board discussions of the nine Blueprint objectives, rather than considering the risks in isolation.
- **Consultancy spend.** Throughout the year the Executive provided regular updates on consultancy spend. The committee agreed that its role was to understand the process, including oversight of: criteria for projects that require consultancy spend; when projects are re-evaluated; the progress of projects; when and why projects have been cancelled; how decisions are made on new projects from re-allocated consultancy spend. The committee reviewed plans to revise the consultancy spend allocation process for 2018/19, to a centralised consultancy budget with the budget spent on application. The aim is to encourage a breakdown of

silos and a more efficient allocation and re-allocation throughout the year.

- Long-term funding model. The committee worked with the Executive on the long-term funding model for the 2018-21 strategy, in preparation for the board discussions. The committee provided guidance to the Executive on elements to be considered as part of the long-term funding model in advance of the presentation to the board, including: the level of ambition; budget allocation between the nine Blueprint objectives; growth of signatory support in the PRI networks; core reserve levels; availability of grants; and support for signatories in emerging markets.
- Cash reserves. The committee discussed the cash reserves policy. The aim is to be a prudent and responsible employer, to utilise effectively signatory fees to provide signatory value and further the Principles. The committee agreed that four months of payroll expenditure was the right level for the cash reserves, rather than agreeing on a specific number. The allocation for four months will need to rise proportionally as the organisation grows. The board agreed to the committee's recommendation.
- PRI subsidiaries. The committee considered the tax arrangements for the PRI subsidiaries. The committee agreed that an annual letter to confirm that the PRI subsidiaries were tax compliant from the respective tax advisors could help to mitigate tax risks. The committee asked the Executive to reflect on the separation of controls on PRI Enterprises and review the impact of the 2018/19 budget on the subsidiaries' statements of financial position.
- 2018/19 budget. The committee reviewed the draft 2018/19 budget in advance of the board meeting. The committee discussed several aspects of the proposed budget: the 2019 signatory fees; the budget for networks staff and offices; the key variable elements of the budget and how to provide a more holistic picture for the board; and funding for a digital strategy.

[Terms of reference](#)

HR AND REMUNERATION COMMITTEE

Members: Eva Halvarsson, Renosi Mokate (chair), Xander den Uyl.

The committee ensures that the human resources and remuneration arrangements support the strategic aims of the PRI Association and enable the recruitment, development and retention of staff. They must comply with regulatory and governance requirements, satisfy the expectations of members and meet target employees' expectations.

KEY DISCUSSION ITEMS:

- **Annual reviews and 360° feedback.** The committee was provided with an outline of the outcomes from the annual appraisal and 360° feedback. Annual reviews concentrate on performance against objectives. The 360° questionnaire examines desirable behaviours against six core competencies and six company values. The committee discussed the Executive's plan for addressing three identified areas: staff development, business awareness and empowerment.
- **Annual pay review.** The committee reviewed the pay review proposal for 2017 and recommended it for board approval.
- **Pension provisions.** The committee reviewed a proposal to increase pension provisions for all staff from October 2017 and recommended it for board approval.
- **Human Resources strategy.** The committee reviewed a progress report on the PRI's HR strategy. The committee discussed some forthcoming issues, including, the balance between the London HQ and the PRI networks; responsibility for managing the nine Blueprint objective areas; implementation of the delayering exercise; how to integrate core competencies; and how to embed a signatory value mentality across the organisation.
- **Human Resources policies.** The committee reviewed five policies:
 - Grievance policy,
 - Discipline policy,
 - Flexible Working policy,
 - Whistleblowing policy and
 - Dignity at Work policy,and recommended them for board approval.
- **Chair contract.** The committee recommended the revised contract for board approval.
- **MD review remuneration.** The committee reviewed the performance and recommended the remuneration for board approval.
- **Employee engagement survey.** Staff engagement is at 75%, the same as the 2015 survey, a positive result especially considering the organisation's growth over the past few years. Areas identified for improvement include: learning and development opportunities; internal communication and consultation; accountability and collaboration. The committee reviewed the employee engagement survey results from a variety of perspectives: staff seniority, location and team. The committee recommended the action plan to the board.
- **Employment turnover, risk and law.** The committee discusses these three issues as standing items, when relevant.

[Terms of reference](#)

POLICY COMMITTEE

Members: Sandra Carlisle, Priya Mathur, Hiro Mizuno, Gavin Power***, Eric Usher, Xander den Uyl (chair) and Peter Webster.

The committee's purpose is to guide the preparation of financial system and policy related content for the Board. This would incorporate strategic guidance on the activities to realise the sustainable financial system aspect of PRI's mission, including for example, the Sustainable Financial System and Sustainable Development Goals programmes. The committee met for the first time in June 2017.

KEY DISCUSSION ITEMS:

- **Committee role.** The committee noted and agreed with guidance to the terms of reference that the committee would provide advice to the Executive on its activities and recommendations on matters that should go to the full board for discussion.
- **Sustainable financial system (SFS) activities.** The committee agreed that its role was to examine the detail of the new SFS projects; note the existing system level projects (because they are well advanced or had already been reviewed by the board) and form a view on the aggregate impact and effectiveness of all system level projects.
- **Sustainable Development Goals (SDGs) activities.** The Executive provided an update on SDG activities. The committee discussed priority projects, potential collaborative partners and how to raise investor awareness in different markets.
- **SFS measurement framework.** The committee provided feedback on the proposed measurement framework of PRI activities, investor actions and system-level outcomes. The Executive will develop the measurement framework more broadly to track progress on the Blueprint's nine objectives.
- **Updates on all system projects.** The committee regularly reviewed progress on all the system projects. As part of these discussions the committee considered project additionality, potential overlap with activities of other organisations and the prioritisation of the projects.

[Terms of reference](#)

SIGNATORY AND STAKEHOLDER ENGAGEMENT COMMITTEE

Members: Marcel Barros*, Sandra Carlisle, Angela Emslie, Marcus Madureira**, Priya Mathur (chair), Renosi Mokate, Tycho Sneyers**, Gavin Power* and Eric Usher*.

The committee guides the Board and Executive on: signatory categorisation, active participation of signatories in PRI activities and work streams, effective communication with signatories, outreach to prospective signatories and effective partnerships with key stakeholders.

KEY DISCUSSION ITEMS:

- **Signatory accountability - minimum requirements.** The committee supported the board by discussing with the Executive the proposals over a series of committee meetings, in advance of the board meetings. The committee reflected on the minimum requirements criteria and the process for engaging with and potentially delisting signatories that fail to meet with requirements.
- **Serious violations to the Principles.** The committee reviewed the first draft proposal, in advance of the board discussions, and provided feedback on the language, potential complexity and risks.
- **Showcasing leadership (via the reporting framework).** Again, the committee supported the board by discussing with the Executive the proposals over a series of committee meetings, in advance of the board meetings.
- **Signatory categorisation cases.** Throughout the year the committee considered signatory categorisation cases, whether potential signatories are asset owners, investment managers or service providers. The role of the committee is to make recommendations to the board on difficult and precedent setting categorisation issues, based on the existing [Signatory Categorisation Guidelines](#).
- **Development sessions.** The committee reviewed the impact of the development sessions, sessions with signatories to discuss their reporting and assessment results. The committee supported the ongoing resourcing of the development sessions.
- **Signatory coverage model.** The Executive presented to the committee the plans to: ensure that signatories are serviced consistently across markets / regions; facilitate engagement with senior management of signatories and / or Boards / trustees; deliver tailored support to signatories' individual needs; enable tracking and communication of signatory coverage.
- **Signatory recruitment.** The committee received regular reports on signatory recruitment trends.

[Terms of reference](#)

SKILLS, DIVERSITY AND ELECTIONS COMMITTEE

Members: Geeta Aiyer*, Sandra Carlisle, Angela Emslie (chair), Tycho Sneyers***, Peter Webster

The committee guides the board on measures to foster the diversity and the skills/expertise it needs to carry out its duties effectively. It facilitates the process to evaluate the performance of the board and the board Chair, and supports the board in overseeing the election process.

KEY DISCUSSION ITEMS:

- **2017 PRI Board elections oversight.** In 2017 there were four positions up for election: three asset owner and one investment manager. The committee considered several elements of diversity, gender and geographic, and the option of recommending that the board mandates a geographical representation. The board agreed with the committee's recommendation to encourage: asset owner candidates from emerging markets; asset owner candidates from North America; and female candidates. There were three asset owner and nine investment manager candidates. The committee was pleased with the strong representation of female candidates, 80% of the candidates were female.
- **Election review.** After every election the committee is responsible for reviewing the election process. The committee reviewed two elements of the election rules: seconding by an affiliated signatory and nominations from provisional signatories or signatories that have not reported. The committee considered the information provided to the voting electorate, measures to raise engagement and participation, ensure legitimacy of the elections (via higher vote count and / or revisions to the voting system) and encourage diversity.
- **Voting system.** The committee discussed the relative merits of first past the post (FPTP) and preferential voting (PV). The principle drawback to PV is the perception that it is complex. The elections have a c. 30% participation rate and PV could be another hurdle for potential voters. Therefore the committee recommended that the PRI should focus first on raising the participation rate. However, the advantage of PV is that it can increase the legitimacy of the elected victor(s). PV could also reward an electorate that takes notice of the election guidance, for example by the electorate prioritising in their ranking candidates with required skills or experience. The committee agreed that changing the voting system is not urgent now, but that it is worth future consideration.
- **Board action plan following the 2016 board review.** The committee oversaw the implementation of several initiatives: measures to improve board meeting interaction and participation and an improved review process of committee papers.
- **Chair review.** The committee oversaw the annual chair review process. The committee agreed to structure the discussion at the board around four identified priorities for the chair: the chair's role in the implementation of the strategy and Blueprint; climate action; asset owner recruitment; and Sustainable Development Goals aligned work.
- **External board review.** The committee was involved in setting out the parameters and structure of the external review. The review included an online questionnaire, based on the historical survey, plus 1-1 interviews by the external reviewers with board members and selected individuals from the Executive. The external reviewers presented initial conclusions to the committee in advance of an in-depth discussion by the board at the June 2018 meeting.
- **2018 PRI Board elections oversight.** The board agreed with the committee's recommendation to encourage candidates with senior leadership and governance experience; and female candidates.

Terms of reference

*Until December 2017

**Started January 2018

***Until April 2018

****Started April 2018

2018 SIGNATORY VOTING

Between weeks commencing 1 October and 19 November 2018, signatories will be invited to vote on various elements of PRI governance. The table below represents the voting opportunities available to each signatory category.

	Asset owners	Investment managers	Service providers
PRI Board election – two asset owner representatives	✓		
PRI Board election – one investment manager representative		✓	
Signatory General Meeting minutes	✓	✓	✓
PRI Annual Report and accounts	✓	✓	✓
PRI auditor confirmation	✓	✓	✓

SIGNATORY RIGHTS

Signatory rights are enshrined in the Articles. Signatories have the right to:

- approve amendments to the Articles and Principles;
- nominate candidates for, and vote in, Board elections;
- confirm the appointment of the Chair;
- receive the annual accounts;
- confirm the appointment of the auditor;
- approve the minutes of an SGM;
- formal consultation;
- call for an extraordinary election of directors; and
- propose a non-binding resolution.

For more information on signatory rights see the PRI website [here](#).

The board encourages signatories to participate actively in all areas of PRI governance. Please make your vote count. For more information on the 2018 elections and voting procedure see [here](#).

PRI BOARD ATTENDANCE

The expectation is that Directors will participate in every meeting of the Directors. The minimum number of planned in-person meetings in which a Director is required to participate is set out in the [Directors' Terms of Reference](#). The expectation is that each Director appointed to a board committee will participate in every meeting of such board committee and at a minimum must participate in a majority of meetings of that committee in a calendar year.

JANUARY - DECEMBER 2017

	PRI Board		PRI Board committees					
	Meetings	Calls	Finance Audit and Risk	Ethics	HR and Remuneration	Policy	Signatory and Stakeholder Engagement	Skills Diversity and Elections
Number of meetings: January 2017 to present	3	1	4	0	3	3	3	3
Geeta Aiyer	2/3	1/1					2/3	1/3
Marcel Barros	3/3	1/1					3/3	
Sandra Carlisle	3/3	0/1				3/3	3/3	2/3
Angela Emslie	3/3	1/1					3/3	3/3
Eva Halvarsson	3/3	1/1	4/4		3/3			
Priya Mathur	3/3	1/1	4/4			2/3	3/3	
Hiro Mizuno	3/3	1/1				3/3		
Renosi Mokate	2/3	1/1			2/3			
Gavin Power	3/3	1/1				2/3		
Martin Skancke	3/3	1/1						
Eric Usher	2/3	1/1				3/3		
Xander den Uyl	3/3	1/1			3/3	3/3		
Peter Webster	3/3	1/1	4/4			3/3		3/3
Peter Webster	4/4	2/2					3/3	2/2**

JANUARY – JUNE 2018

	PRI Board		PRI Board committees					
	Meetings	Calls	Finance Audit and Risk	Ethics	HR and Remuneration	Policy	Signatory and Stakeholder Engagement	Skills Diversity and Elections
Number of meetings: January – June 2018	2	1	3	0	2	2		
Sandra Carlisle	2/2	0/1				2/2		2/2
Angela Emslie	2/2	1/1						2/2
Eva Halvarsson	2/2	1/1	3/3		2/2			
Marcus Madureira	1/2	1/1						
Priya Mathur	1/2	1/1	1/1			1/2		
Hiro Mizuno	2/2	0/1				1/2		
Renosi Mokate	2/2	1/1			1/2			
Gavin Power*	1/1	0/0				1/1		
Martin Skancke	2/2	1/1						
Tycho Sneyers**	2/2	1/1	2/2					1/1
Eric Usher	1/2	1/1				2/2		
Xander den Uyl	2/2	1/1			2/2	2/2		
Peter Webster	2/2	1/1	3/3			1/2		2/2

*Gavin Power departed the UN Global Compact in April 2018.

** Tycho Sneyers replaced Priya Mathur on the Finance, Audit and Risk committee and resigned from the Skills, Diversity and Elections committee in April 2018.

The Principles for Responsible Investment (PRI) Initiative

The PRI Initiative is a UN-supported international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system.

The Principles are voluntary and aspirational. They offer a menu of possible actions for incorporating ESG issues into investment practices across asset classes. Responsible investment is a process that must be tailored to fit each organisation's investment strategy, approach and resources. The Principles are designed to be compatible with the investment styles of large, diversified, institutional investors that operate within a traditional fiduciary framework.

The PRI Initiative has quickly become the leading global network for investors to publicly demonstrate their commitment to responsible investment, to collaborate and learn with their peers about the financial and investment implications of ESG issues, and to incorporate these factors into their investment decision making and ownership practices.

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



UN Global Compact

Launched in 2000, the United Nations Global Compact is both a policy platform and practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyse actions in support of broader UN goals. With 7,000 corporate signatories in 135 countries, it is the world's largest voluntary corporate sustainability initiative.

More information: www.unglobalcompact.org

