

PRI BOARD MEETING REPORT

The PRI Board had a conference call on 3 December 2015.

ATTENDANCE

The meeting was attended by the following representatives from the PRI Board, their designates and staff from the PRI Executive.

| Board members present: | Designates in attendance: | PRI Executive in attendance: |
|--|---------------------------|------------------------------|
| Geeta Aiyer (Boston Common Asset Management) | Acyr Moreira (PREVI) | Mark Blair |
| Masaru Arai (ex-Daiwa Asset Management) | | Nathan Fabian |
| David Atkin (Cbus) | | Fiona Reynolds |
| Marcel Barros (PREVI) | | Lorenzo Saa |
| Mark Chaloner (West Midlands Pension Fund) | | Christopher Sperling |
| Priya Mathur (CalPERS) | | |
| Renosi Mokate (GEPF) | | |
| Niels Erik Petersen (Unipension) | | |
| Gavin Power (UNGC) | | |
| Daniel Simard (Batirente) | | |
| Martin Skancke (Chair) | | |
| Eric Usher (UNEP FI) | | |
| Peter Webster (EIRIS) | | |
| Eric Wetlaufer (CPPIB) | | |
| Apologies: | | |
| Colin Melvin (Hermes EOS) | | |

POLICY AND RESEARCH WORK STREAM

Nathan Fabian, Director of Policy and Research, gave an update on the systemic risks and sustainability challenges in the financial system work programme. For discussion was the proposed establishment of a Sustainable Financial System Advisory Group. The committee's purpose is to advise the PRI Board on PRI's work program to address systemic risks and sustainability challenges in the financial system. The term of operation is December 2015 to March 2017 and the committee will be comprised of ex-PRI board members.

In September 2015 the UN General Assembly agreed the Sustainable Development Goals (SDGs) that set the global agenda for sustainable development from 2016 to 2030. The SDGs are one of the PRI's five UN-partner projects and the PRI is working on a range of projects to bring the SDGs to investors. The Board discussed the contribution of the finance sector towards the success of the SDGs, the role of the PRI and possible PRI actions.

The Board approved the establishment of the Sustainable Financial System Advisory Group.

DRAFT SIGNATORY CONSULTATION

Fiona Reynolds gave an introduction events and planned reports planned for PRI's 10 year anniversary¹, including the formal consultations on signatory diversity and accountability and the responsible investment blueprint².

The Board has discussed driving greater implementation of the Principles, signatory accountability and the aim to retain the PRI's aspirational nature over the past two meetings, in June and September 2015. For Board discussion was the latest iteration of the formal signatory consultation paper. The consultation has two overarching objectives:

1. Determine how the PRI can better recognise diversity across its signatory base, allowing market forces to promote wider adoption of responsible investing practices while ensuring the PRI remains inclusive and welcoming to new signatories.
2. Identify additional accountability mechanism/s that could be introduced to incentivise signatories currently making little or no progress to do more, and to determine whether those who show no progress over time should be delisted.

The Board approved the '[Recognising Diversity, Strengthening Accountability](#)' formal consultation paper.

SHARING THE PRI REPORTING FRAMEWORK WITH SIGNATORIES

The PRI Reporting Framework is designed to be a common language for reporting on RI, with the ultimate goal of reducing the overall reporting burden from ours and other surveys. A number of PRI signatories already run their own ESG surveys, for example, when undertaking due diligence for a fund of funds product. In 2015, the PRI and one such signatory launched a pilot to share the PRI's reporting platform. It allows all responders to the signatory's survey (including some non-PRI signatories) to report via the PRI's online reporting tool, using the PRI's reporting framework indicators.

Sharing the PRI reporting framework with signatories is aligned to the PRI strategy: encouraging the widespread adoption of the PRI reporting terminology and indicators; reducing reporting burden; and serves as potential signatory outreach. The Board discussed the potential for the PRI being proactive in the roll-out of the project for the benefit of other signatories and the potential for asset owner use in particular, to encourage dialogue with investment managers.

The pilot project was considered to be a success and the Board approved the project's continuation. For more information on signatories using the PRI's Reporting Framework to substitute or supplement their own ESG surveys see reporting page on the [PRI website](#).

¹ For more information on the events and planned reports planned for PRI's 10 year anniversary see the [PRI website](#).

² For more information on the forthcoming formal consultations see the [PRI website](#).

COMMITTEE ACTIONS

The Board approved the recommendation from the Skills, Diversity and Election committee that Peter Webster is eligible to continue on the Board in the transition from EIRIS to EIRIS Vigeo. Peter Webster did not participate in the Board discussions on his eligibility.

MANAGEMENT REPORT

As part of the management Fiona Reynolds gave an update to the Board on the PRI's role in COP21. PRI's aim was to ensure that all stakeholders understand the role that investors and the private finance that they represent can play in transitioning to a low-carbon and climate-resilient economy.

The PRI is actively involved in three official events, including the Caring for Climate Business Forum, the LPAA Focus on Private Finance Forum and the Climate Action Dialogue - Investor Actions on Climate Change. The PRI will highlight that investors are taking action: over 120 signatories with over US\$10 trillion AUM have signed up to the Montreal Pledge³ and that US\$ 600 billion AUM have signed up to the portfolio decarbonisation coalition⁴. The PRI also is continuing to support the Global Investor Statement on Climate Change, will be promoting the [Developing an Asset Owner Climate Change Strategy](#) guidance paper and launching the Green Infrastructure Investment Coalition⁵ with other partners.

PRI IN PERSON

There was Board consensus that the PRI in Person London was a great success. The event attracted a record number of delegates, ticketing and sponsorship income, and maintained the very high levels of delegate satisfaction that we have enjoyed in previous years. The media profile of the PRI around the conference also surpassed that of prior years, with more than 30 journalists attending over the 3 days and the conference hashtag 'trending' on social media on the final day. Signatory feedback on the event will be incorporated, where relevant, into the planning for PRI in Person Singapore in September 2016⁶, which is already underway. At the February 2016 in person meeting the Board will discuss the long-term development of PRI's flagship annual event.

BOARD SELF-ASSESSMENT

The Skills, Diversity and Election presented the results of the board self-assessment. The consensus was that the assessment has been a good process. This was the first iteration and it had been a learning experience, with a varied interpretation to some of the questions. The template, based on a McKinsey non-profit Board self-assessment framework,⁷ will be further tailored for the PRI's purposes next year.

There will be an in depth discussion of the self-assessment results and progress on the agreed initial actions for the Board, Board committees, Chair and Executive at the February in person Board meeting. The Chair will provide a summary, as part of the 2016 Signatory General Meeting

³ [Montreal Pledge](#)

⁴ [Portfolio Decarbonisation Coalition](#)

⁵ [Green Infrastructure Investment Coalition fact sheet](#)

⁶ For more information on PRI in Person 2016 see the [event website](#).

⁷ [The Dynamic Board: Lessons from High-Performing Non-profits](#)

papers, of the structure of the PRI Board self-assessment, the self-assessment outcomes and the actions taken to date.

COMMITTEE COMPOSITION

With the departure of several Board directors at the end of the year and the election of 3 new Board directors the Board discussed the composition of the Board committees. The Chair has tried to balance continuity and refreshment in the revised committees.

The Board agreed to the proposed committees' composition.⁸

ANY OTHER BUSINESS

The call was the last formal Board meeting for Masaru Arai, David Atkin, Daniel Simard and Eric Wetlaufer. The Chair thanked all the departing Board directors for their time and commitment to the PRI Board. The PRI hopes to draw on the experience and insights of all departing Board directors and will be encouraging their participation in the forthcoming ten year anniversary events.

FUTURE MEETINGS

The next Board meeting will take place on 25 and 26 February 2016 in Tokyo, following various signatory meetings in Korea and Japan over the preceding week. In addition to regular agenda items, planned discussion points include:

- Board self-assessment results and actions taken
- Chair assessment and expectations for 2016/17
- Managing Director expectations and KPIs for 2016/17
- 2016/17 budget and human resources
- PRI 10 year impact report presentation
- Responsible Investment Blueprint consultation plan
- 'Recognising Diversity, Strengthening Accountability' formal consultation initial feedback
- PRI in Asia update
- PRI Academy update
- PRI in Person conference long-term development
- Development of the Environment and Social Impact work stream (including the Principles for Investors in Inclusive Finance)
- 2016 PRI Board elections

Signatories wishing to provide input on these agenda items or raise additional issues for consideration should email governance@unpri.org by 1 February 2016.

⁸ For more information see the PRI Board committees page on the [PRI website](#).