

An Introduction to Responsible Investment and the PRI

Matthew McAdam
Director, Asia Pacific



Contents

- **Defining responsible investment**

- Responsible investment drivers
- PRI overview and services
- Asset owner slides
- Asset class slides
- Becoming a PRI signatory
- Appendix / additional slides

What is responsible investment?

Incorporates 'value' and 'values-based' investing

Responsible investment is a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership



Approaches to responsible investment

ESG incorporation and active ownership

ESG Incorporation



ESG Integration

The process of integrating ESG issues and information into investment analysis:

Environmental – e.g. chemical pollution, water management, greenhouse gas emissions, renewable energy etc.

Social – e.g. labour standards, freedom of association, controversial business practices, talent management etc.

Governance – e.g. corporate governance issues, bribery, corruption, lobbying activity etc.



ESG Screening

The process of excluding or seeking exposure to securities based on investor values or other criteria:

Exclusionary – negative

Best in class – positive
(e.g. impact investing)

Norms-based



Active Ownership

Interactions between the investor and current or potential investees:

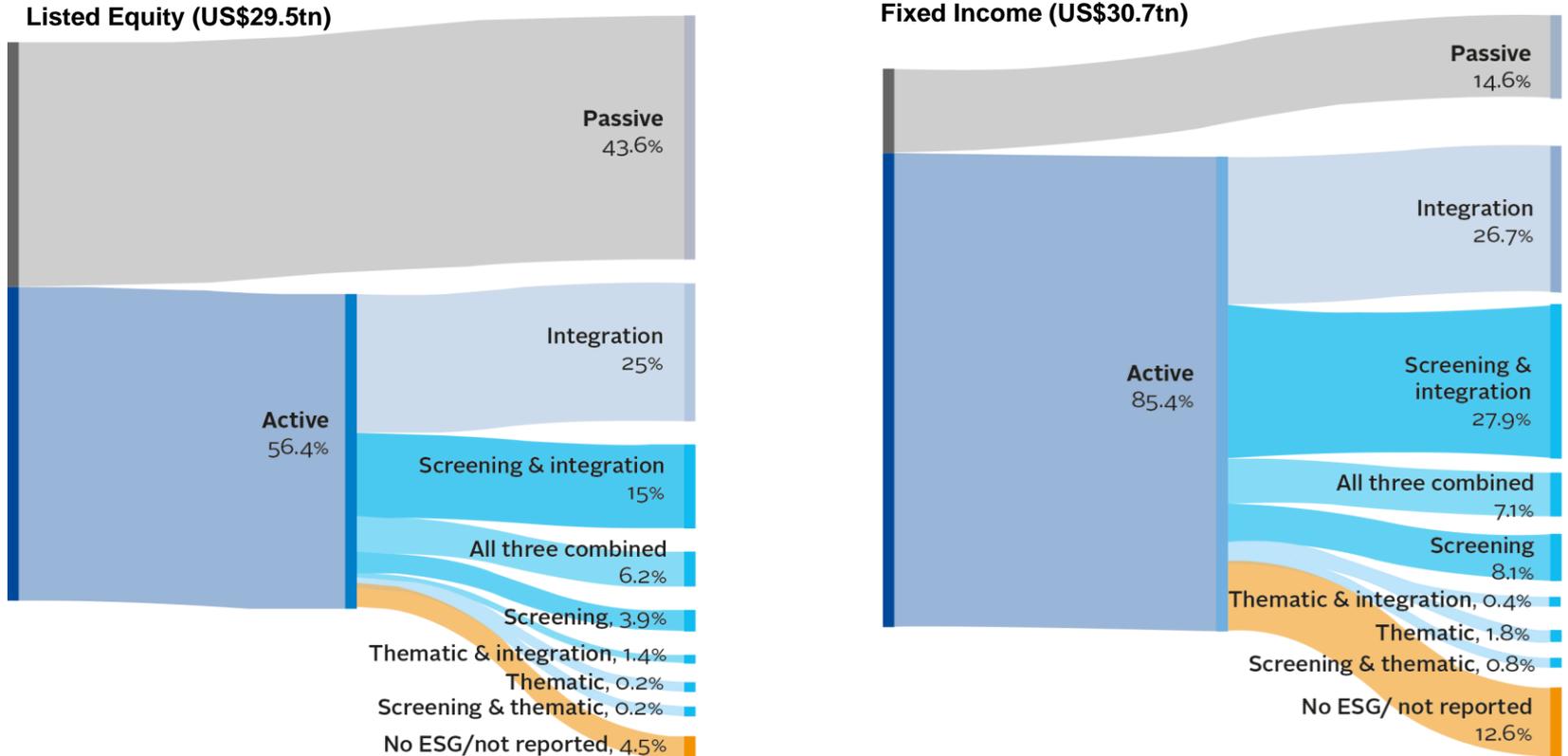
Voting
(e.g. AGM, EGM or special meeting)

Shareholder engagement
(e.g. Shareholder resolutions, calling an EGM, complaint to regulator)

Other engagement
(Other engagements on ESG issues: proactive, reactive and ongoing)

Asset class-specific ESG incorporation

How PRI's signatory base invests in Equities and Fixed Income



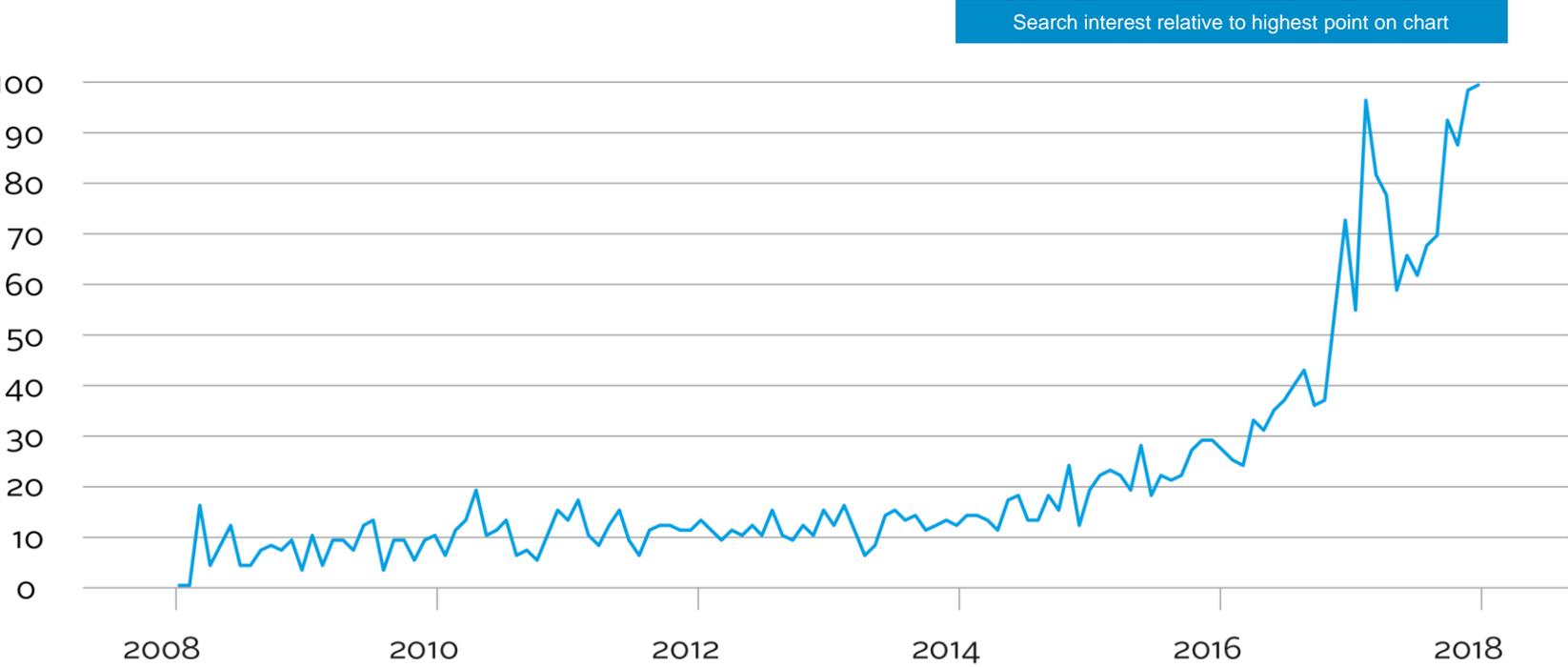
Data taken from PRI Reporting Framework responses 2018

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...but interest in ESG themes has increased exponentially

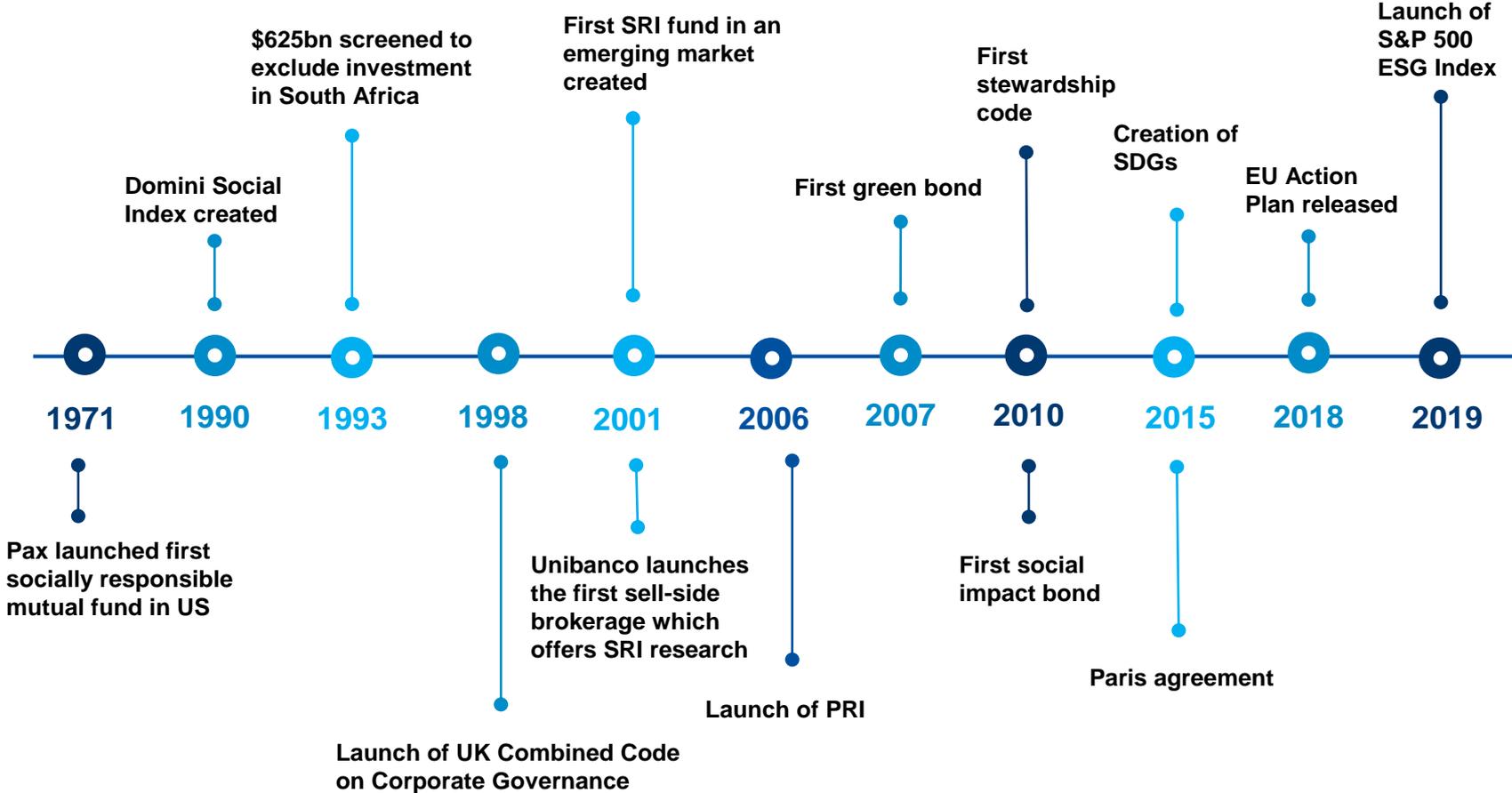
Global google search trends of 'ESG' in a financial context over time



Source: Google Trends (08/2018)

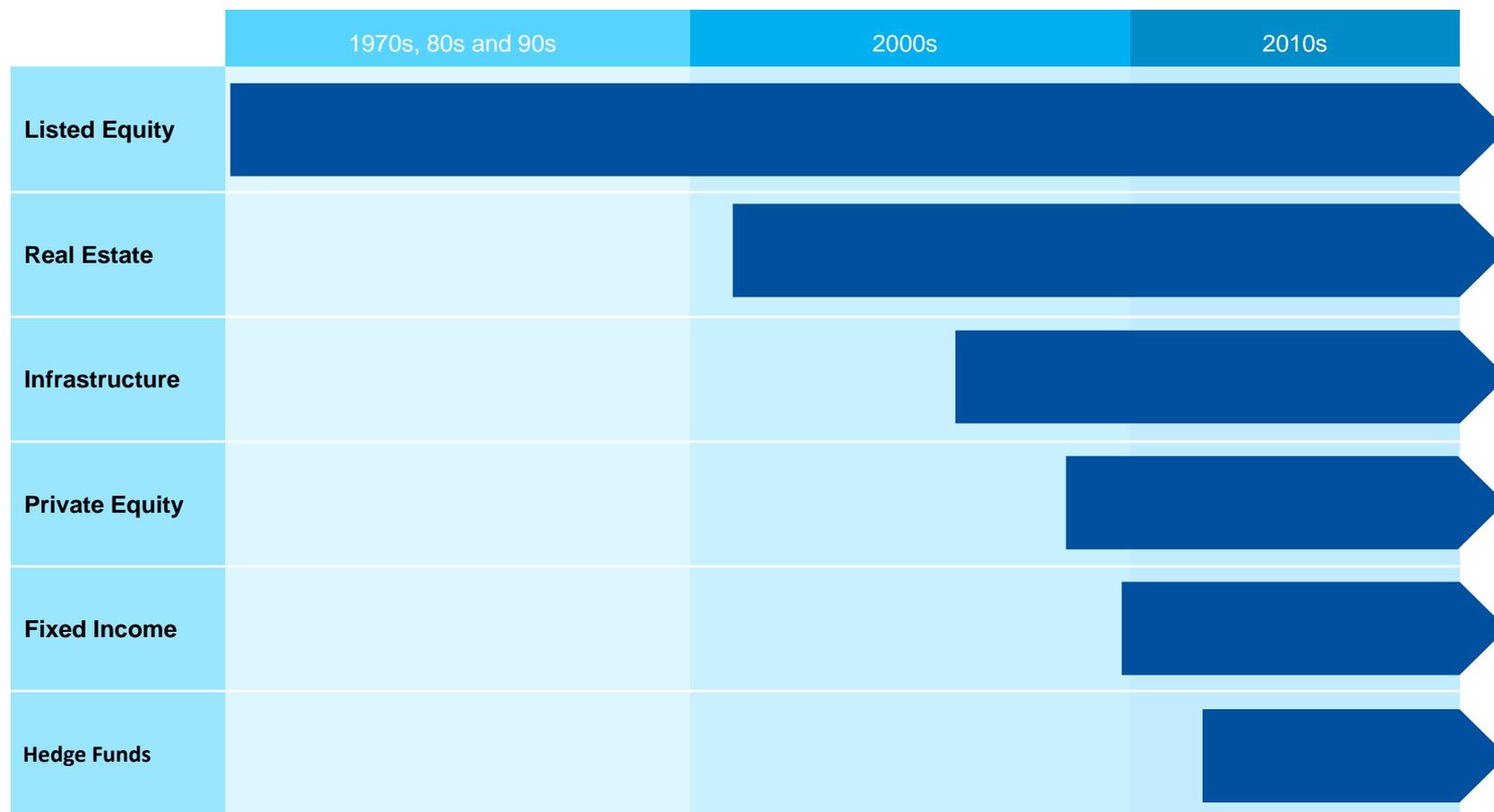
Evolution of sustainable investment

An increasing proliferation of investable options...



Evolution of ESG

...across all asset classes



Why practice responsible investment?

Manage risks, fulfil investor duty and enhance potential returns



Why invest responsibly?

Manage risks, meet market demand and fulfil investor duty



Materiality

Increasing recognition within the financial community that ESG factors often play a material role in determining risk and return.



Market demand

Growing demands from beneficiaries and investors for greater transparency about how and where their money is being invested.



Regulation

Higher levels of regulatory guidance that incorporating ESG factors is part of an investor's fiduciary duty to their clients and beneficiaries.



Growing academic evidence supports that
ESG incorporation does not come at a cost

ESG risks can be material

Investors are increasingly focused on the impact of ESG factors



“BP set to pay largest environmental fine in US history for Gulf oil spill”
theguardian

2010



“Tokyo Electric executives to be charged over Fukushima nuclear disaster”
REUTERS

2011



“Volkswagen Earnings Take Another Hit From Emissions-Cheating Scandal”
THE WALL STREET JOURNAL

2014



“The sharing of 50M Facebook users’ personal data led to the biggest ever one day drop in a company’s market value”
FINANCIAL TIMES

2018

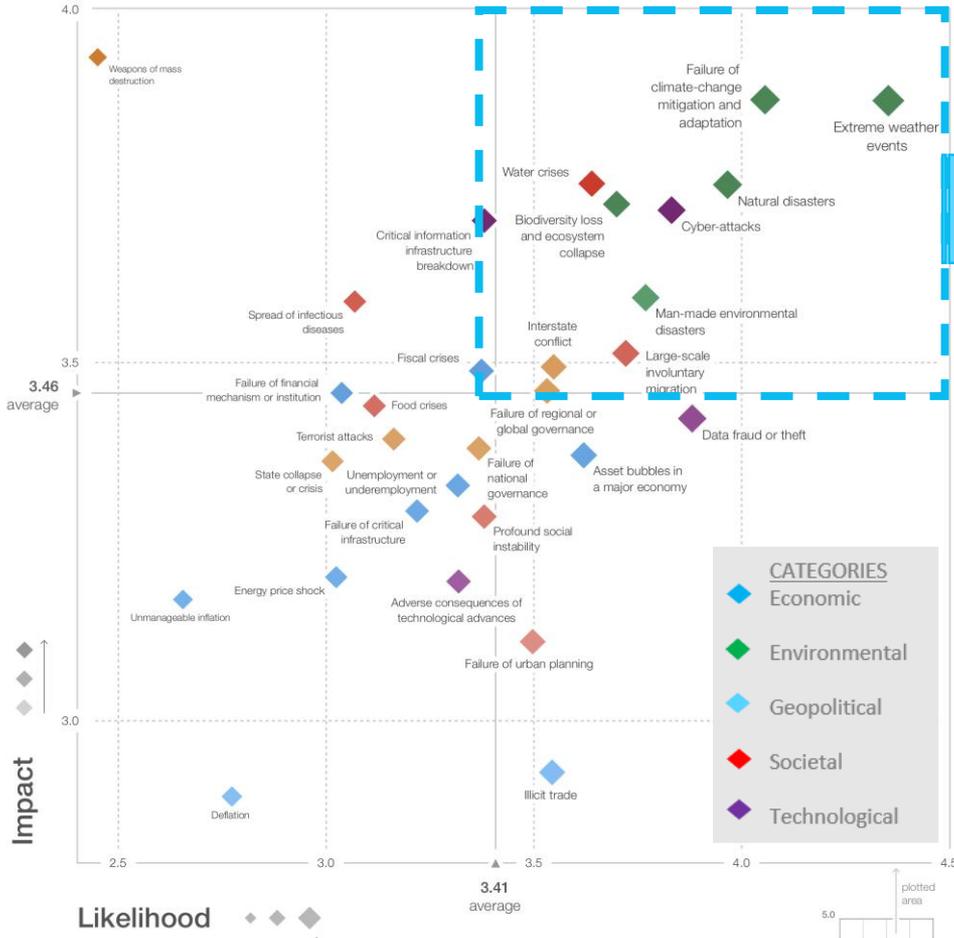


“Share price falls 14% following a SEC suit accusing Musk of fraud”
Bloomberg

2018

ESG issues impact investments

Global Risks Landscape



- ### TOP GLOBAL RISKS
- ◆ Extreme weather events
 - ◆ Natural disasters
 - ◆ Failure of climate-change mitigation/adaption
 - ◆ Cyber attacks
 - ◆ Water crises
 - ◆ Large scale involuntary migration
 - ◆ Man-made environmental disasters
 - ◆ Bio-diversity loss and ecosystem collapse

Source: World Economic Forum 2019 Global Risks report.

See [here](#) for more detail on the 2019 Global Risks report and its implications for PRI signatories.

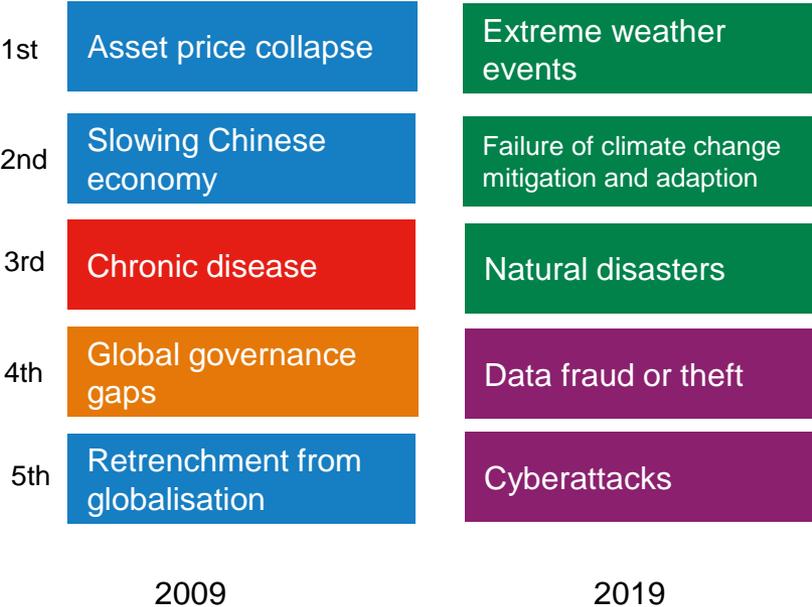
Mitigating risks

Environmental risks are increasingly material in terms of impact and likelihood

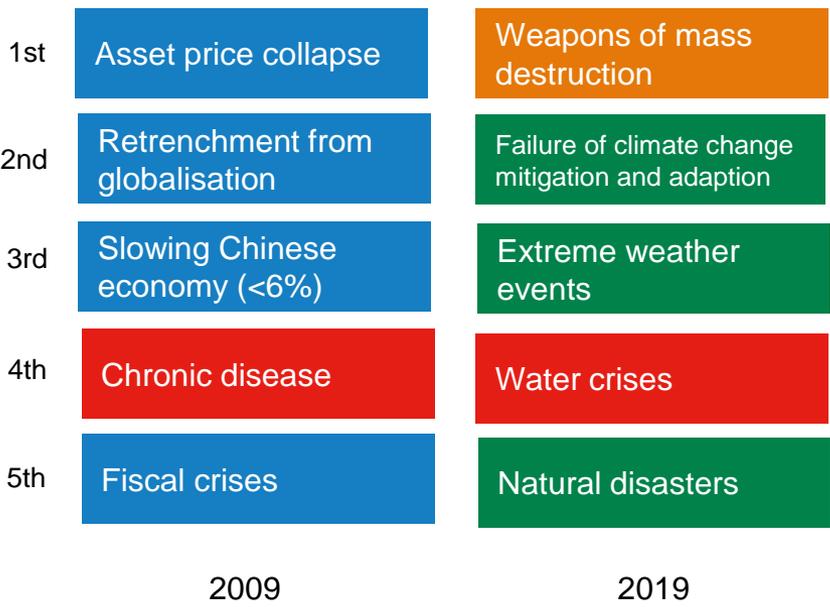
The World Economic Forum 2019 Global Risks Report



Top global risks in terms of likelihood



Top global risks in terms of impact



■ Environmental
 ■ Societal
 ■ Economic
 ■ Geopolitical
 ■ Technological

SASB Materiality Index

SECTORS	Consumption	Financials	Health Care	Infrastructure	Non-Renewable Resources	Renewable Resources & Alternative Energy	Resource Transformation	Services	Technology and Communications	Transportation
ISSUES										
ENVIRONMENT										
GHG emissions	●			●	●	●	●	●	●	●
Air quality					●	●				●
Energy management	●		●		●	●	●	●	●	●
Fuel management	●		●		●	●	●	●	●	●
Water and wastewater management	●		●	●	●	●	●	●	●	●
Waste & hazardous materials management	●		●	●	●	●	●	●	●	●
Biodiversity impacts	●			●	●	●	●	●	●	●
SOCIAL CAPITAL										
Human rights and community relations			●	●	●	●				
Access and affordability		●	●	●		●				
Customer welfare	●	●	●	●			●	●		●
Data security and customer privacy		●					●	●	●	
Fair disclosure and labelling	●		●					●		
Fair marketing and advertising	●	●						●		
HUMAN CAPITAL										
Labour relations	●			●	●				●	●
Labour practices	●			●	●				●	●
Employee health, safety and wellbeing	●		●	●	●	●	●	●	●	●
Diversity and inclusion	●	●							●	●
Compensation and benefits	●	●							●	●
Recruitment, development and retention	●		●					●	●	●
BUSINESS MODEL AND INNOVATION										
Lifecycle impacts of products and service	●	●	●	●	●	●	●	●	●	●
E & S impacts on assets, & ops	●	●	●	●	●	●	●	●	●	●
Product packaging	●		●				●			
Product quality and safety	●		●				●	●		●
LEADERSHIP AND GOVERNANCE										
Systemic risk management		●		●					●	
Accident and safety management				●	●	●	●	●		●
Business ethics & transparency of payments		●	●				●	●		●
Competitive behaviour		●					●	●	●	●
Regulatory capture and political influence	●			●		●	●	●	●	●
Materials sourcing	●		●			●	●	●	●	●
Supply chain management	●		●			●	●	●	●	●

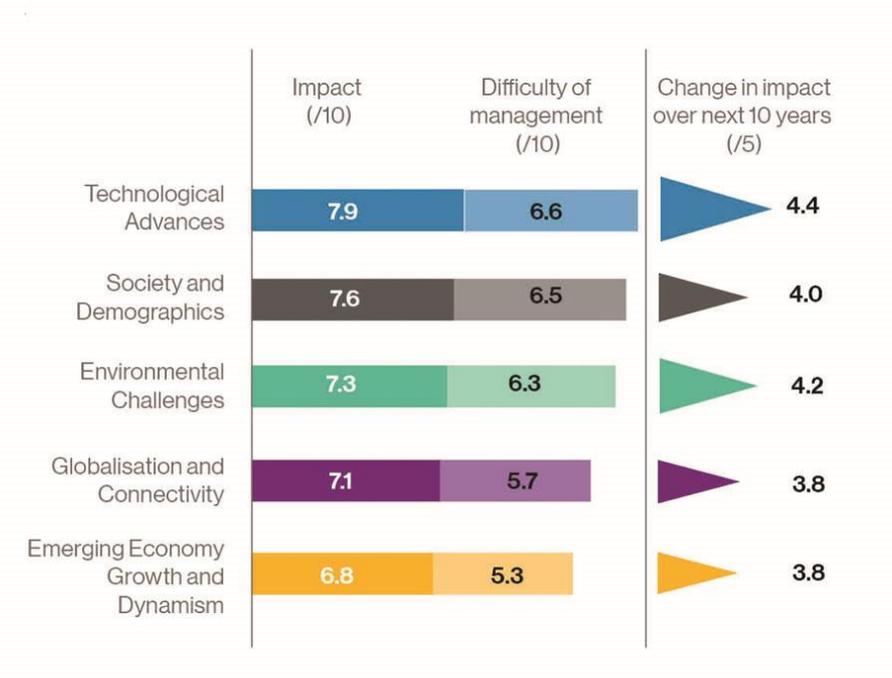
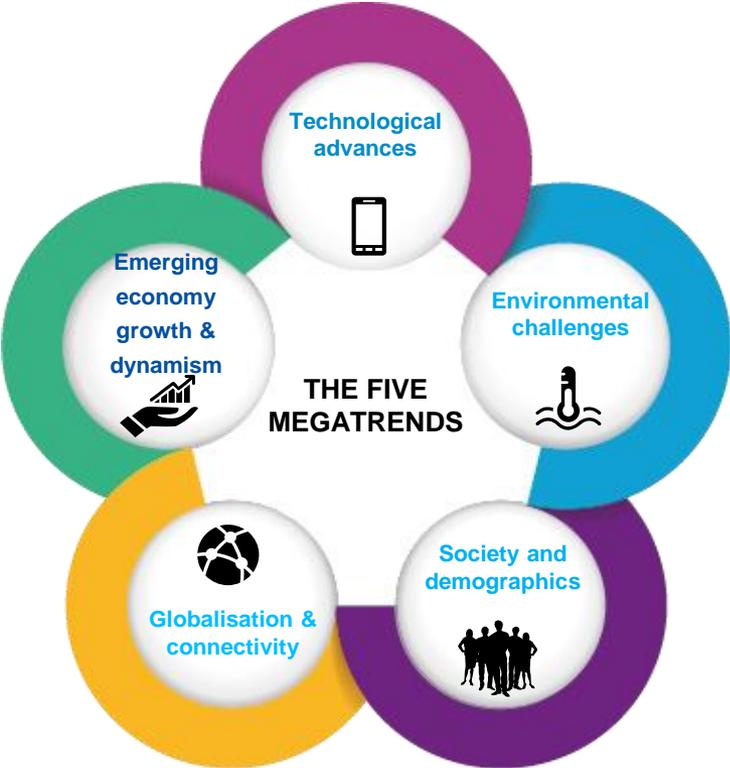
Sector level map

- Issue is likely to be material for more than 50% of industries in sector
- Issue is likely to be material for less than 50% of industries in sector
- Issue is not likely to be material for any of the industries in sector

Megatrends

Multidimensional transformations across society, technology, economics, environment and politics

Technological disruption, societal imbalance and climate-related trends stand out as concerns.



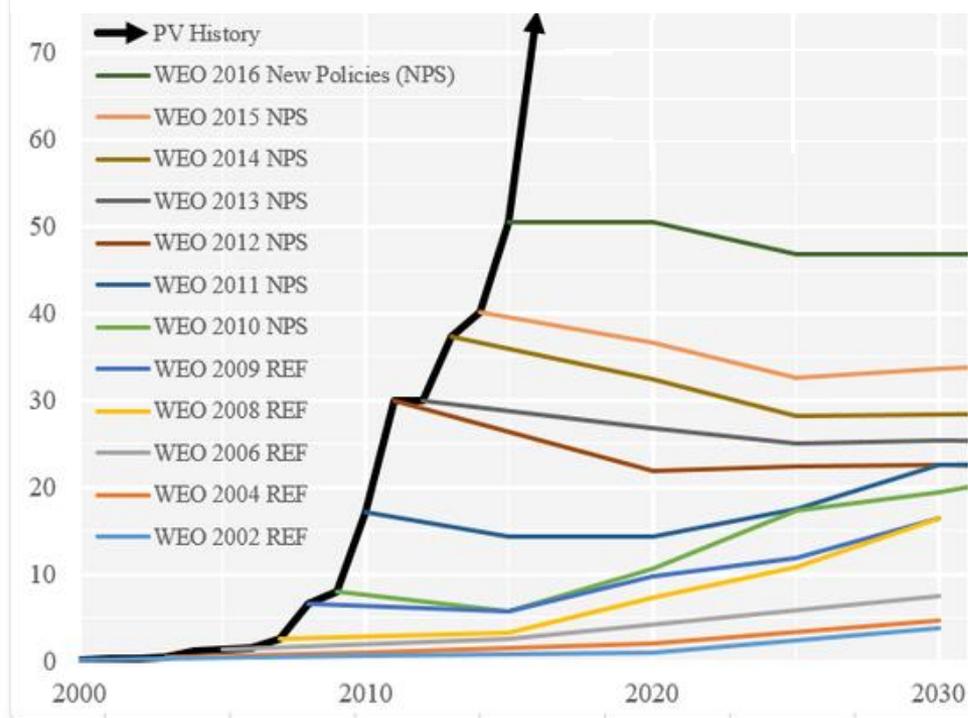
Source: PRI and WTW [Global Investment Megatrends report](#) (2017)

ESG factors can reveal opportunities

A well-rounded process embedding ESG factors and taking a longer term approach can reveal larger macro-trends

- Even major international agencies can miss out on trends.
- The actual take-up of solar photovoltaic (PV) systems has taken even the professional forecasters of the International Energy Agency by surprise.
- Coloured lines are annual IEA predictions of photovoltaic activity. The black line shows what actually happened.

Annual PV additions: WEO predictions vs. real data



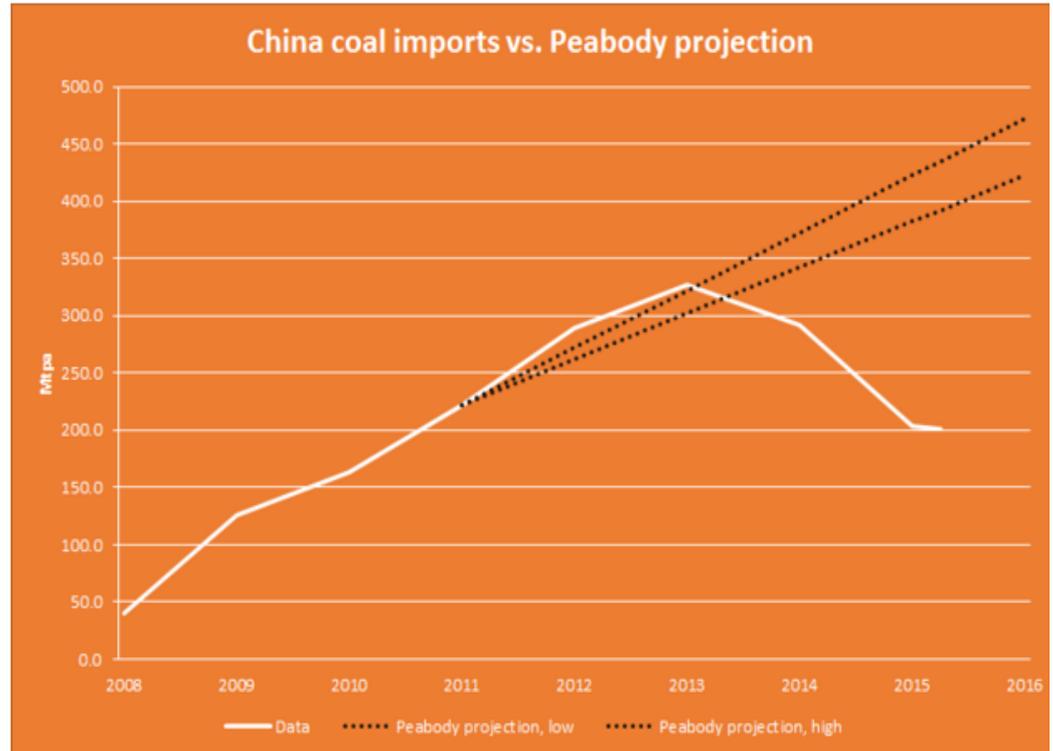
Source: Auke Hoekstra, University of Eindhoven, World Energy Outlook

ESG factors can reveal risks

This aids in identifying risks for the future

Risks related to overlooking ESG factors:

- In 2012 Peabody Energy – the world’s largest coal company – was projecting a doubling of demand for coal imports into China.
- Executives missed the twin threats of air pollution crackdowns and competition from renewables.
- Peabody Energy filed for bankruptcy in 2016 – they have since recovered with a different business model and a more diversified energy portfolio.



Source: Lauri Myllyvirta, Greenpeace

Quantities shown are in Megatonnes, The upper black dotted demonstrates projection on high and the lower projection on low.

What are ESG factors?

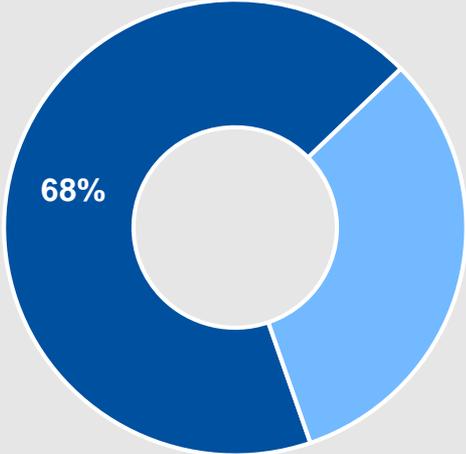
Some examples of ESG issues considered by investors

Environment 	Social 	Governance 	
		Companies	Funds
<ul style="list-style-type: none"> • Climate change • Environmental policy • Sustainability best practice • Environmental management • Water supply • Sustainable transport • Waste 	<ul style="list-style-type: none"> • Consumer rights • Supply chain management • Health and safety • Product safety • Labour relations, inc. relationship with unions • Community/ stakeholder relations 	<ul style="list-style-type: none"> • Board structure • Independent directors • Chairman/CEO split • Exec. pay • Shareowner rights • Accounting/audit • Business ethics • Conflicts of interest 	<ul style="list-style-type: none"> • Fund governance • Advisory Committee powers and composition • Valuation issues • Fee structures

Demand for responsible investment is growing

Institutional demand

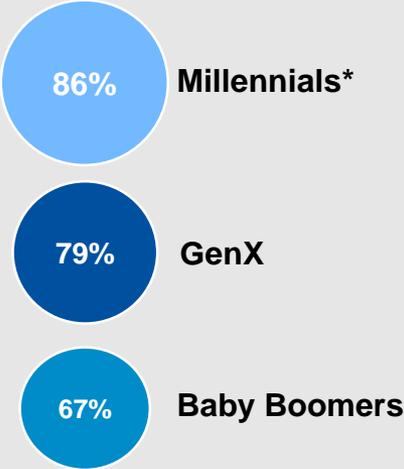
PRI asset owner signatories **actively include ESG criteria in their RfPs**



(1)

Retail demand

Percent who feel **sustainable investing is more important** now than five years ago (2)



\$3.9 trillion of assets are likely to be transferred to future generations over 10 years (3)

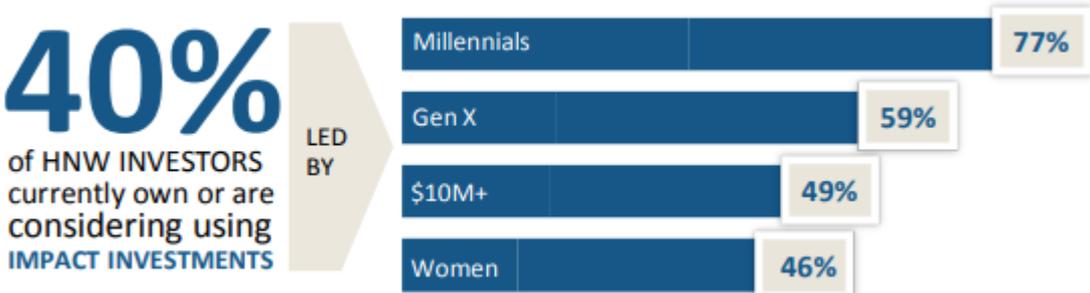
*Millennials are born between 1983-2000, GenX 1978-1982, Baby boomers 1949-1967

Sources: (1) PRI 2018 Reporting Framework responses, (2) “Global perspectives on sustainable investing – Global Investment study” Schroders, 2017 (3) Wealth X and NFP Wealth Transfer Report, 2016

Growing beneficiary interest

Increasing interest in responsible investment amongst millennials

PERCENT WHO OWN / ARE INTERESTED IN ESG / IMPACT INVESTING



53% of HNW investors **AGREE**

AMONG ALL RESPONDENTS

“A company’s environmental, social, political and governance track record is important to the decision on whether or not to invest in it.”

PERFORMANCE OF ESG

Respondents who currently invest in ESG / impact investments

RETURN ON INVESTMENT

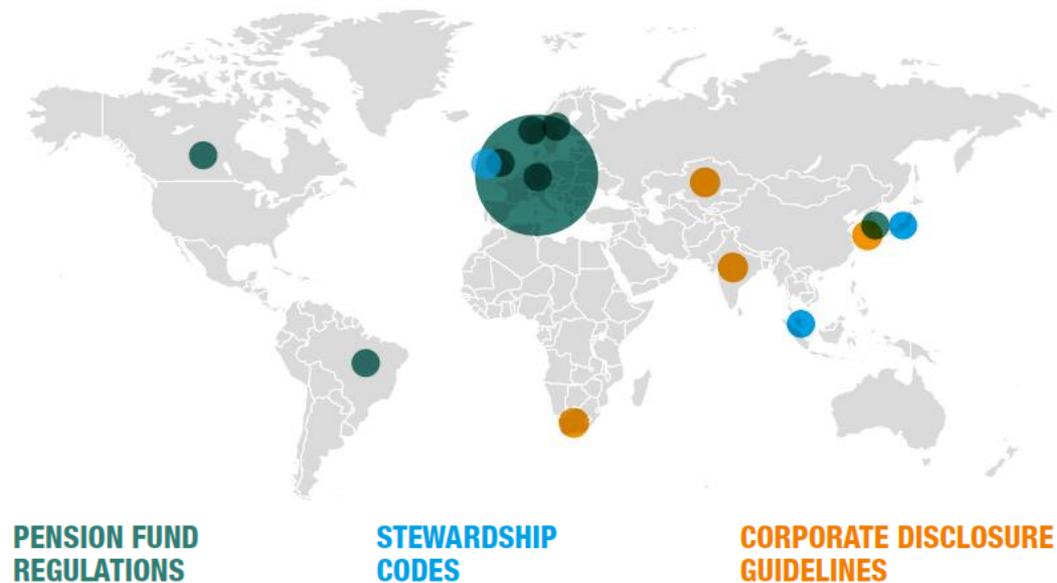


8% Don't expect near-term results
10% Don't know

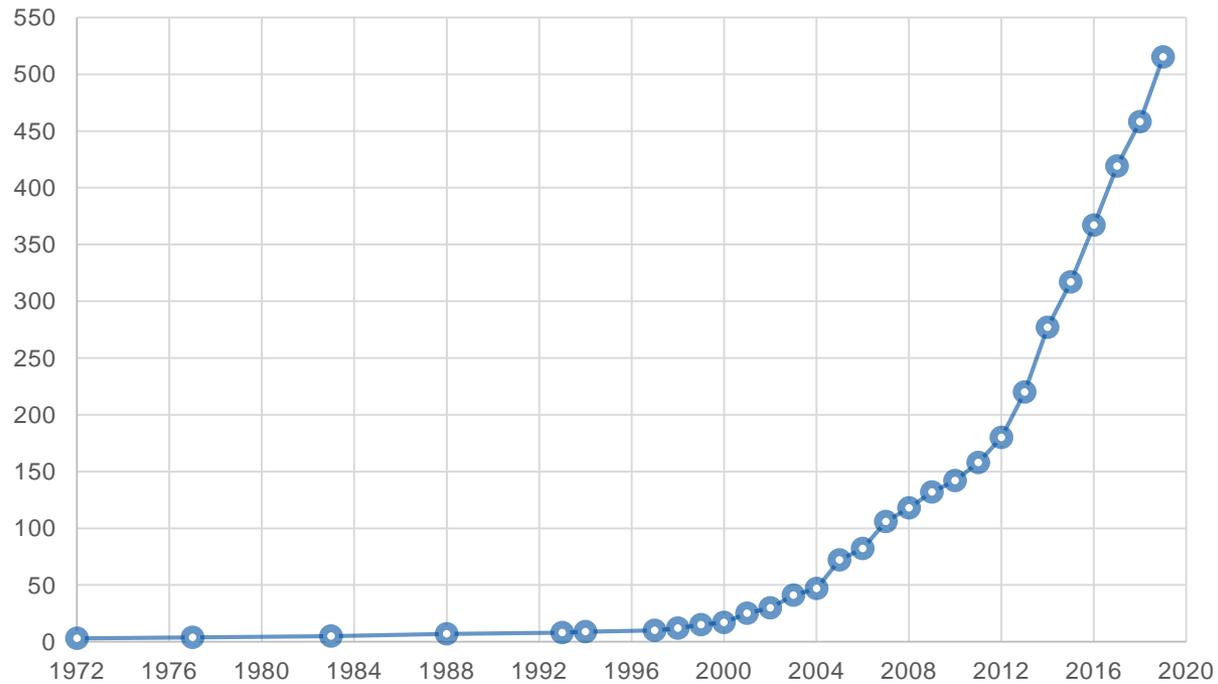
Source: U.S. Trust (2018): Insights on Wealth and Worth Survey

Trend 1: Sustainable finance policy matters ... and is widespread

There have now been over 730 hard and soft-law policy revisions, across some 500 policy instruments, that support, encourage or require investors to consider long-term value drivers, including ESG factors.

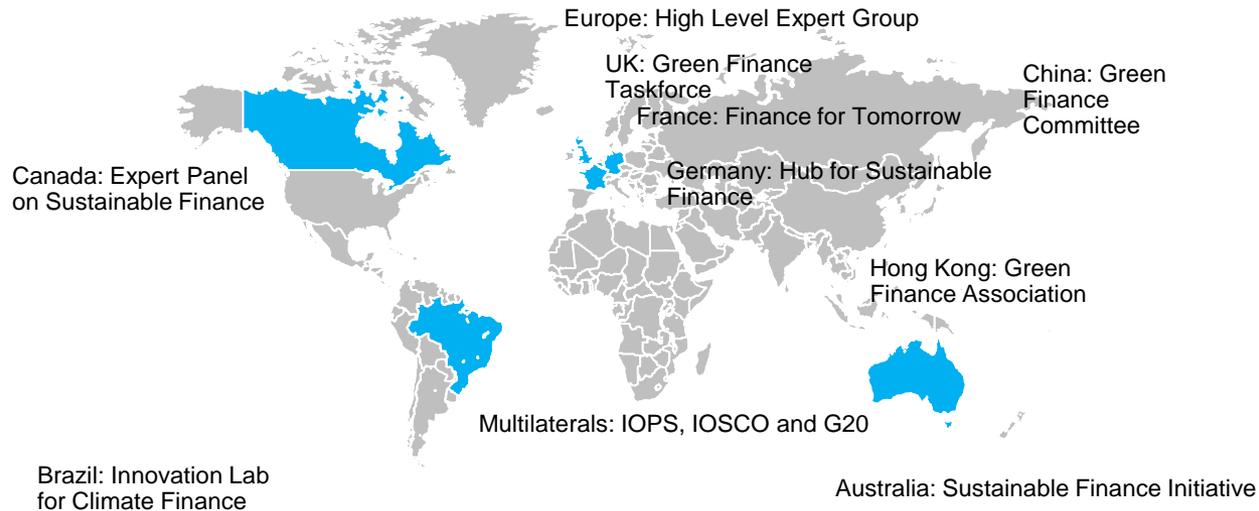


...and the pace is increasing



Trend 2: We are moving from sporadic adoption to comprehensive national sustainable finance strategies.

Further policy making is inevitable.



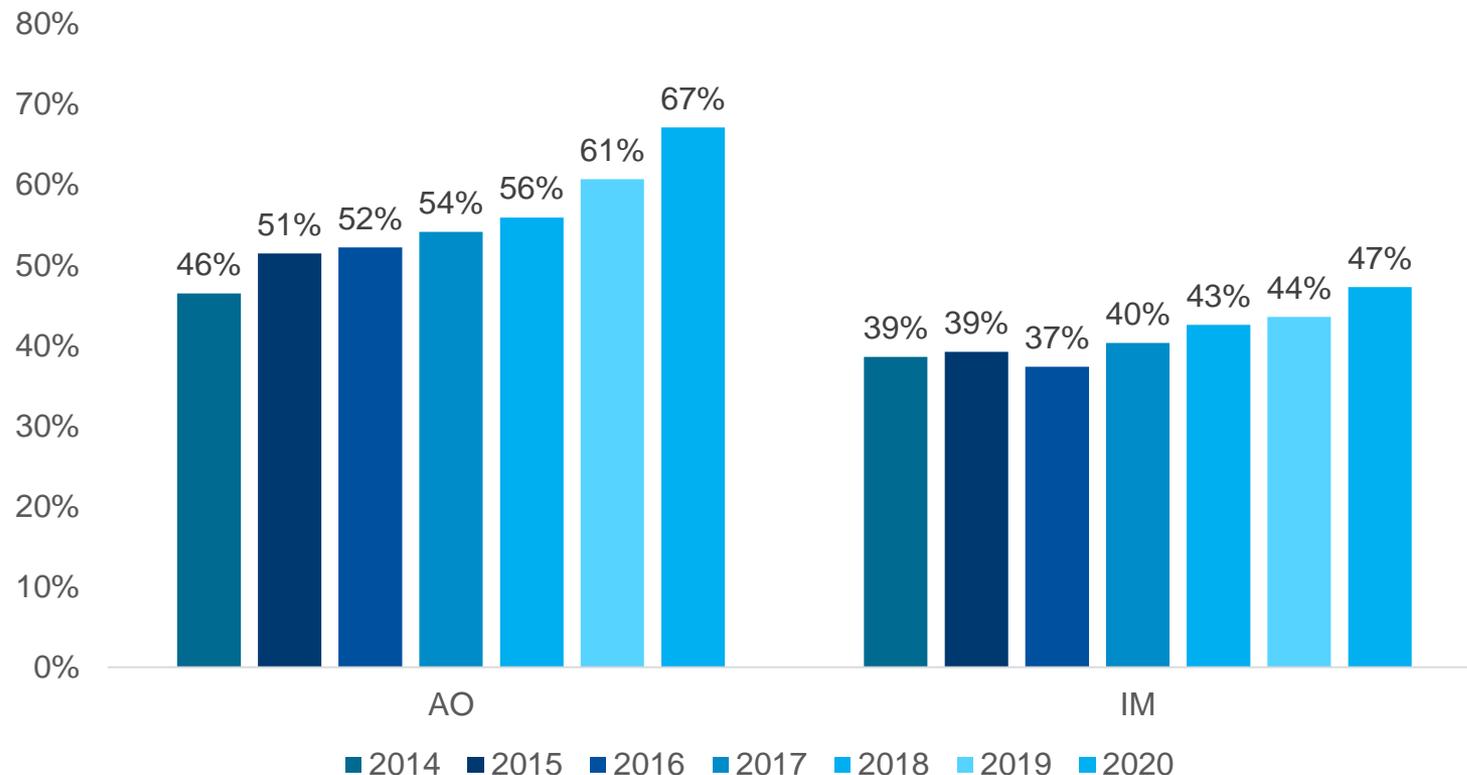
Trend 3: Investors are increasingly involved in public policy development and implementation on sustainable finance.

- Over the period 2016 to 2019 PRI signatories that actively engaged policymakers, regulators and standard-setters increased from 44% (of 1200) to 61% (of 2000).
- Europe has been a major driver for the increase in public policy engagement. Almost three-quarters of the PRI's European asset owner signatories engaged public policymakers on sustainable finance.
- However, in percentage terms, the PRI finds a drop in public policy engagement in the US on sustainable finance policy, where there is no national sustainable finance strategy, nor expert group.

Asset owners are engaging more with regulators and policy makers

PRI supports the view that investors can and should engage not just with the companies they invest in, but also with national and internal policy makers on ESG issues. The percentage of signatories engaging with policy makers has continued to rise, despite signatory numbers has more than doubled.

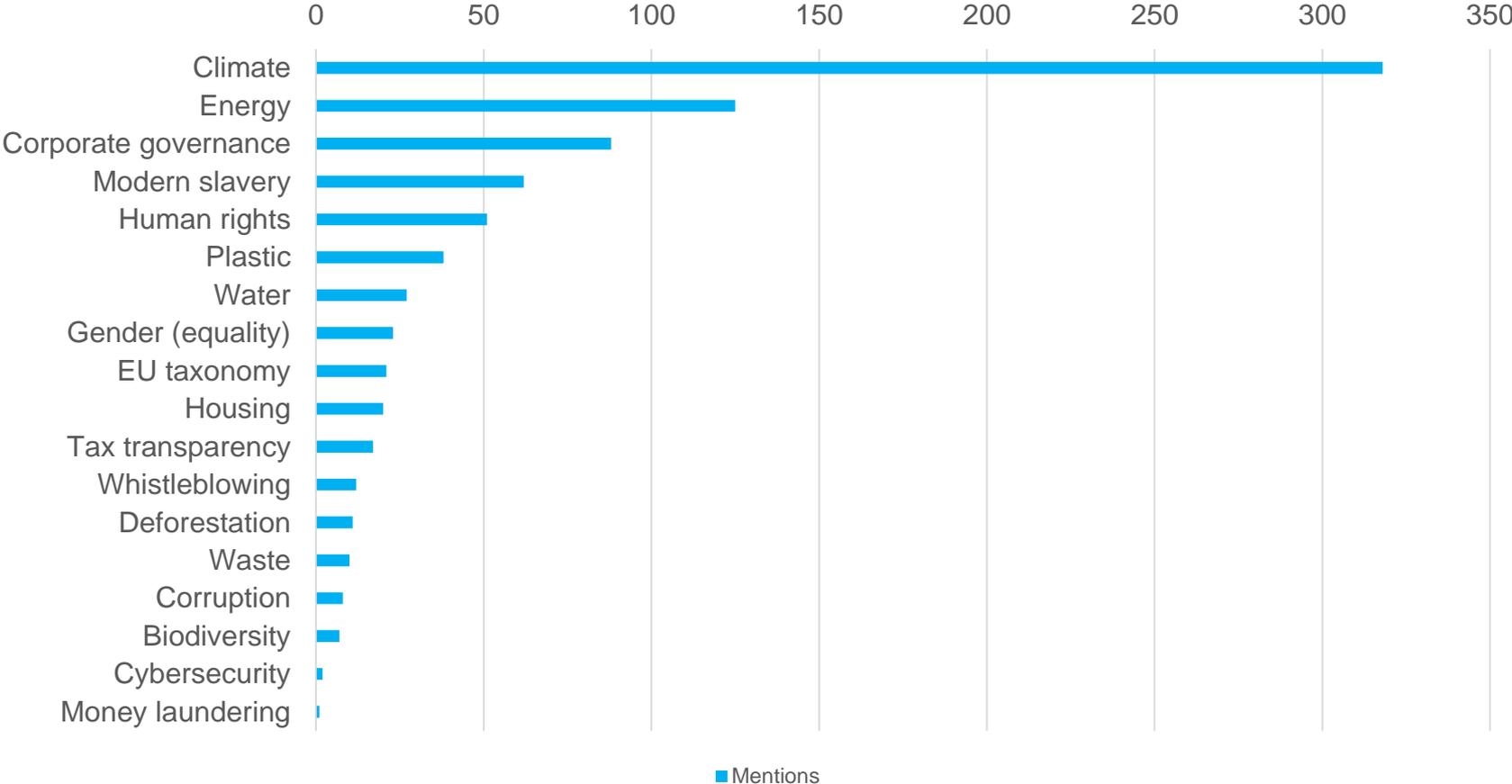
Signatories engaging with policy makers (2014-2020)



Number of reporters per year: 814(2014), 936 (2015), 1073 (2016), 1248 (2017), 1449 (2018), 1710 (2019), 2099 (2020)

ESG issues in engagement with public policy issues

ESG issues in engagement with public policy makers (n=1137)



This qualitative analysis looked at number of signatories mentioning specific topics in their responses.

Trend 4: We are getting more technical and implementation focussed – at least in part because the regulators have got involved.

Example 1: Ontario Pension Benefits Act

Canada, Ontario	Pension Benefits Act	2016	Under section 78(3), a plan's statement of investment policies and procedures (SIPP) is required to include information as to whether environmental, social, and governance (ESG) factors are incorporated into the plan's investment policies and procedures and, if so, how those factors are incorporated.
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Example 2: UK Investment Regulations

UK	Occupational Pension Schemes (Investment) Regulations	2018	Funds must disclose their policies in relation to financially material considerations. This is defined as including environmental, social and governance issues and climate change.
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Trend 5: Real economy outcomes are the new focus for investors and for policymakers.

The new generation of government strategies have articulated a clear vision for sustainable finance which encompasses not just risks to the financial system, but the role the financial system has to play in financing the real economy.

But fundamental legal questions remain:

- Are there legal impediments to investors adopting “impact targets”—for example—that an investor’s investment activity is consistent with no more than 1.5 degrees of warming?
- Are investors legally required to integrate the sustainability outcomes of their investment activity in their decision-making processes?
- On what positive legal grounds could or should investors integrate the realisation of the SDGs in their investment decision-making?

Stewardship Codes

Key aspects Stewardship Codes often cover:

- Identifying & managing conflicts of interest
- Voting
- Monitoring & engaging with the investee company
- Consideration of ESG factors
- Collective action/collaborative engagement

Examples of Asian Stewardship Codes (or similar)

Japan: Principles for Responsible Institutional Investors (2014, updated 2017/2020)

India: Indian Stewardship Code (2020)

Malaysia: Malaysian Code for Institutional Investors (2014)

Singapore: Stewardship Principles for Responsible Investors (2016)

Taiwan: Stewardship Principles for Institutional Investors (2016)

Hong Kong: Principles of Responsible Ownership (2016)

Thailand: Thai SEC Investment Governance Code (2017)

South Korea: KCGS Stewardship Code (2017)

Key Factors:

- Is local regulator involved?
- Have key local asset owners endorsed it?
- Is there a register of signatories?
- What are the obligations for signatories?

Moving from Sporadic Adoption to Comprehensive Sustainable Finance Strategies – Asia Pacific

Examples:

- China Guidelines for Establishing the Green Financial System
- EU Action Plan on Financing Sustainable Growth
- > International Platform
- SFC Strategic Framework on Green Finance
- Securities Commission Malaysia SRI Roadmap for Capital Markets
- Monetary Authority of Singapore Green Finance Action Plan

“We need international standard setters to come together to address fragmentation...

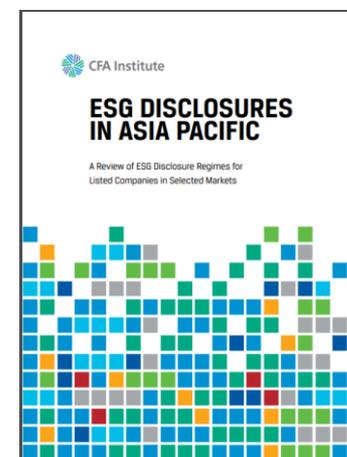
...We need a common taxonomy and a common definition of sustainability, and then to allow sufficient flexibility for these to be tailored to and relevant to local needs.”

Greg Medcraft
Director of Financial and Enterprise Affairs
OECD

Corporate Disclosure Requirements

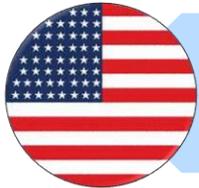
Sustainable Stock Exchanges Initiative – [Stock Exchange Database](#)

	Bursa Malaysia	SGX	SET	HKEX	JPX	KRX	IDX
SSE Partner Exchange?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ESG Reporting required?	Yes	Yes	Yes	Yes	No	No	Yes
Written Guidance on ESG Reporting?	Yes	Yes	Yes	Yes	Yes	No	Yes
ESG-related training?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Covered by Sustainability-related index?	Yes	Yes	No	Yes	Yes	Yes	Yes
Sustainability Bond Listing Segment?	No	No	No	Yes	Yes	Yes	Yes



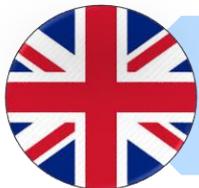
The changing regulatory environment

Examples of RI regulation around the world



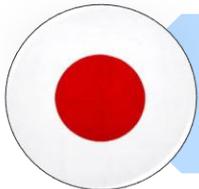
Government Accountability Office (GAO), Report on Retirement Plan Investing (May 2018)

The US Department of Labour should “clarify whether the liability protection offered to qualifying default investment options allows use of ESG factors” and “provide further information to assist fiduciaries in investment management involving ESG factors (...)”



Department for Work and Pensions, Occupational Pension Schemes (Investment) Regulations* (June 2018)

Trustees should “state their policies in relation to financially material considerations, including but not limited to ESG considerations (including climate change)”



Financial Services Authority (FSA), Stewardship Code (2014) & Governance Code (2015)

Institutional investors should “enhance the medium-to long-term return on investments...by improving and fostering investee companies’ corporate value and sustainable growth through constructive engagement, or purposeful dialogue.”



European Commission Action Plan on Sustainable Finance (May 2018)

Multiple regulatory proposals, including directive 2016/2341* to require “integration of ESG risks” under delegated acts.

**Proposed legislation*

Growing academic evidence

ESG incorporation does not come at a cost

Meta-study (December 2015)

OUT OF
2,000+
STUDIES
SINCE 1970



**BETWEEN A COMPANY'S ESG PERFORMANCE
AND ITS FINANCIAL PERFORMANCE**

Friede, Lewis, Bassen & Busch
*University of Hamburg/ Deutsche Asset
Mgmt.*

November 2009

"There are statistically significant positive abnormal returns associated with going long good corporate governance firms and shorting those with poor governance"

Cremers & Ferrell
Yale School of Management

January 2012

"High-sustainability companies dramatically outperformed the low-sustainability ones in terms of both stock market and accounting measures."

Eccles, Ioannou & Serafeim
Harvard Business School

August 2015

"After successful engagements companies experience improved accounting performance and governance and increased institutional ownership"

Dimson, Karakas & Li,
*Fox School of Business/
University of Cambridge*

November 2011

"Firms with high levels of job satisfaction, as measured by inclusion in the 'Best Companies to Work For in America', generate high long-run stock returns"

Edmans
The Wharton School

March 2015

"Responsibility and profitability are not incompatible but wholly complementary... 80% of the reviewed studies demonstrate that prudent sustainability practices have a positive influence on investment"

Clark, Feiner & Viehs
Oxford University

January 2016

"Firm-size-adjusted carbon emissions have a positive and significant effect on loan spreads... suggesting that spread premia are driven by environmental risks rather than investor preferences"

Kleimeier & Viehs, *Oxford
University/ Maastricht University*

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The PRI

Investor-led, supported by the United Nations

The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice.

Its goals are to understand the investment implications of environmental, social and governance issues and to support signatories in integrating these issues into investment and ownership decisions.

2

UN PARTNERS:

UNEP FINANCE INITIATIVE
UN GLOBAL COMPACT



3000+

SIGNATORIES:

ASSET OWNERS
INVESTMENT MANAGERS
SERVICE PROVIDERS



89+

US\$ trn

**ASSETS UNDER
MANAGEMENT**



One mission – six principles

Developed by investors

"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."

1 We will incorporate ESG issues into investment analysis and decision-making processes.

2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4 We will promote acceptance and implementation of the Principles within the investment industry.

5 We will work together to enhance our effectiveness in implementing the Principles.

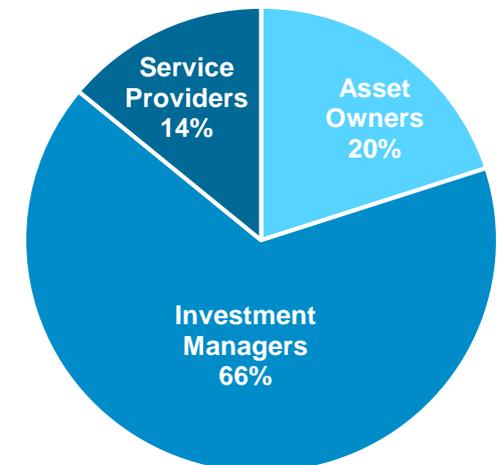
6 We will each report on our activities and progress towards implementing the Principles.



A growing signatory base



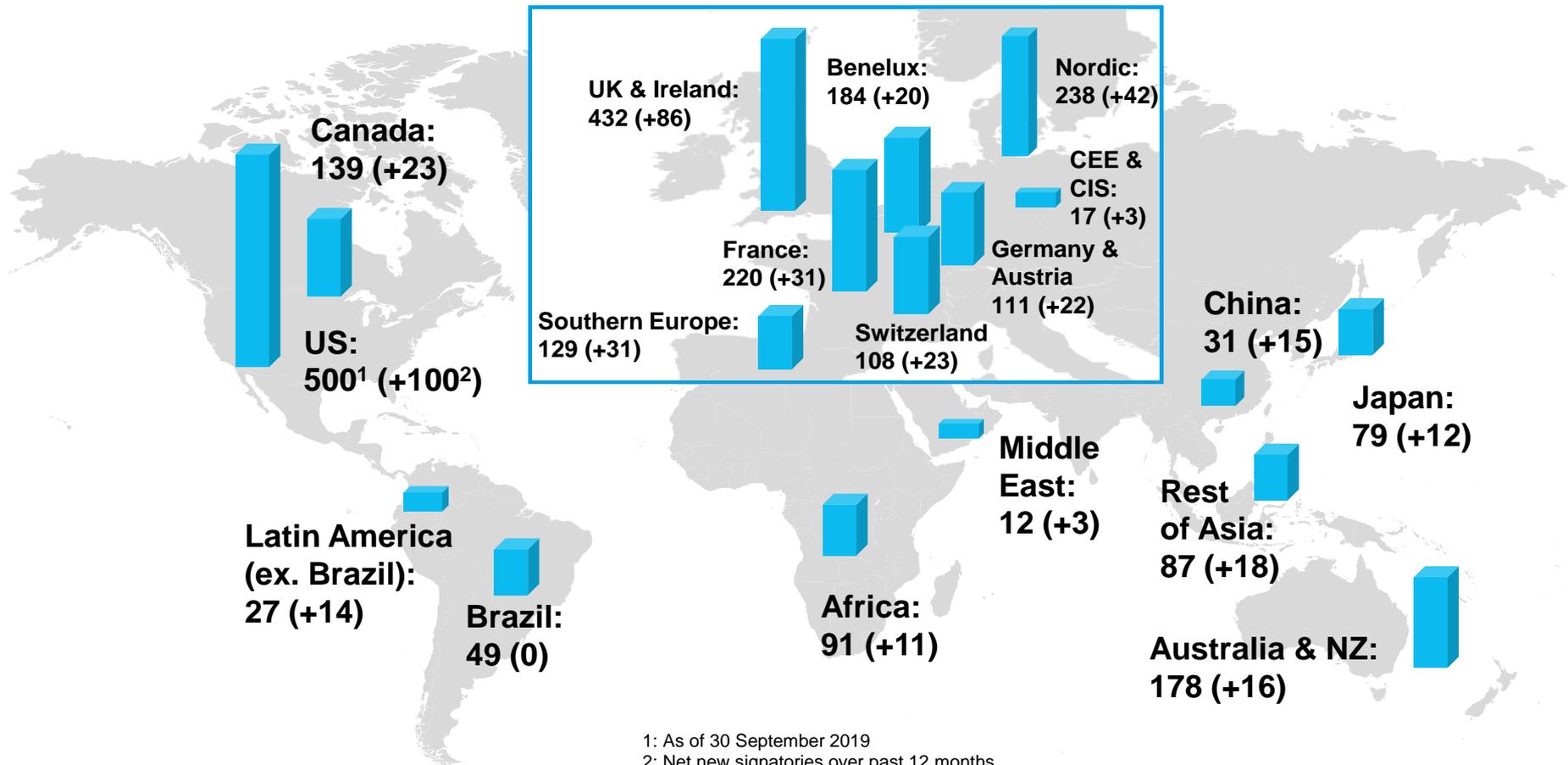
Three types of signatories:



*Total AUM includes reported AUM plus AUM of new signatories joining the PRI by 31 March.

More than 3,000 investors worldwide

Have adopted the Principles for Responsible Investment



1: As of 30 September 2019

2: Net new signatories over past 12 months

PRI governance

2018 and 2019 PRI Board elections

The Board is composed of one independent Chair (confirmed by a signatory vote) and ten Directors: seven elected by asset owner signatories, two elected by investment manager signatories and one elected by service provider signatories.

There are two Permanent UN Advisors to the Board, representatives from the PRI's founding UN partners: UN Global Compact and UNEP Finance Initiative.

CHAIR	DIRECTORS ELECTED BY ASSET OWNERS						
 <p>Martin Skancke Independent Term limit: 2020</p>	 <p>Angela Emslie HESTA (Australia) Term limit: 2021</p>	 <p>Eva Halvarsson AP2 (Sweden) Term limit: 2019</p>	 <p>Hiromichi Mizuno GPIF (Japan) Term limit: 2019</p>	 <p>Renosi Mokate GEPF (South Africa) Term limit: 2020</p>	 <p>Laetitia Tankwe Ircantec (France) Term limit: 2021</p>	 <p>Xander den Uyl ABP (Netherlands) Term limit: 2021</p>	 <p>Sharon Hendricks CalSTRS (US) Term limit: 2021</p>
DIRECTORS ELECTED BY NON ASSET OWNERS			PERMANENT ADVISORS				
 <p>Wendy Cromwell Wellington Management (US) Term limit: 2021</p>	 <p>Tycho Sneyers LGT (Switzerland) Term limit: 2020</p>	 <p>Peter Webster Vigeo Eiris (France) Term limit: 2019</p>	 <p>Lise Kingo UN Global Compact</p>	 <p>Eric Usher UNEP FI</p>			

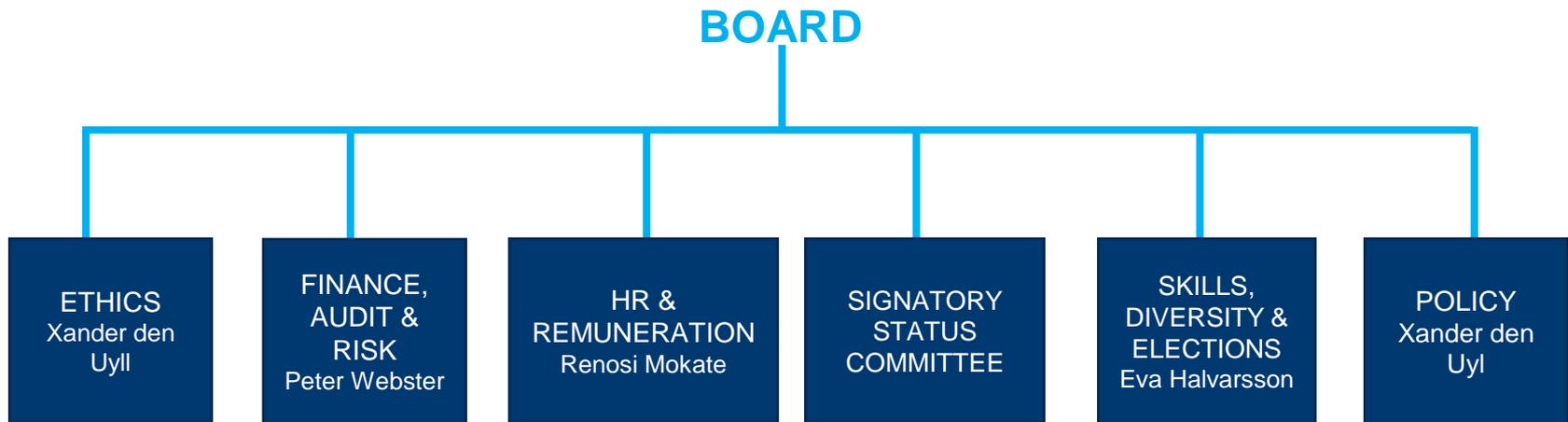
PRI governance

Board sub-committees

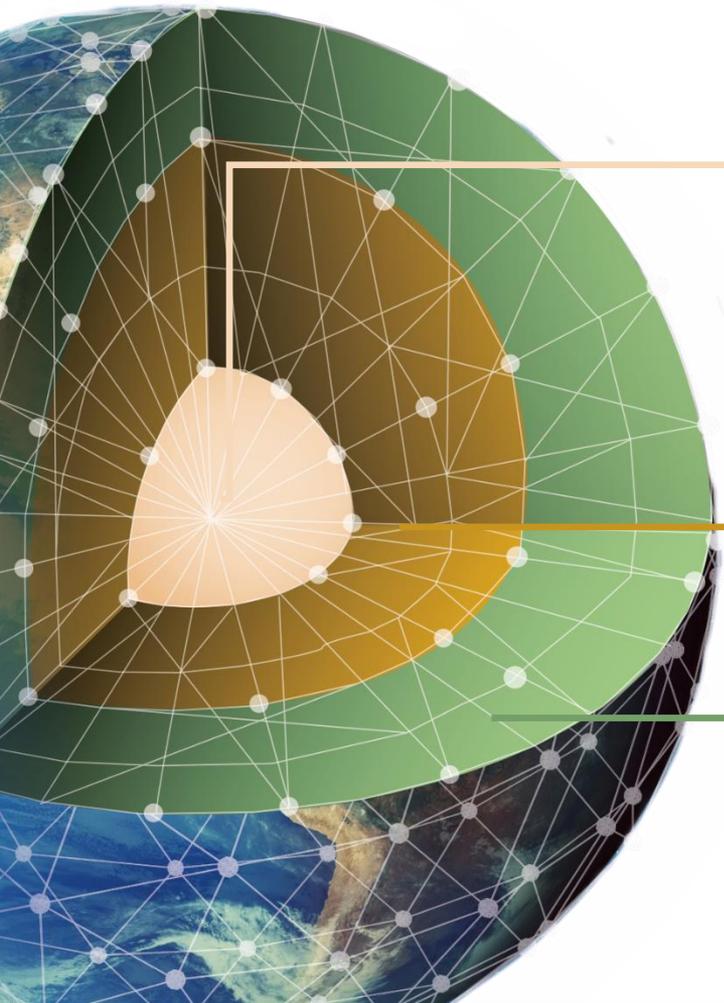
The PRI Association is governed by the PRI Association Board (the Board) as set out in the [Articles of Association of PRI Association](#).

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.



The Blueprint vision



Responsible investors

- Empower asset owners
- Support investors incorporating ESG issues
- Create an industry of active owners
- Showcase leadership and increase accountability
- Convene and educate responsible investors

Sustainable markets

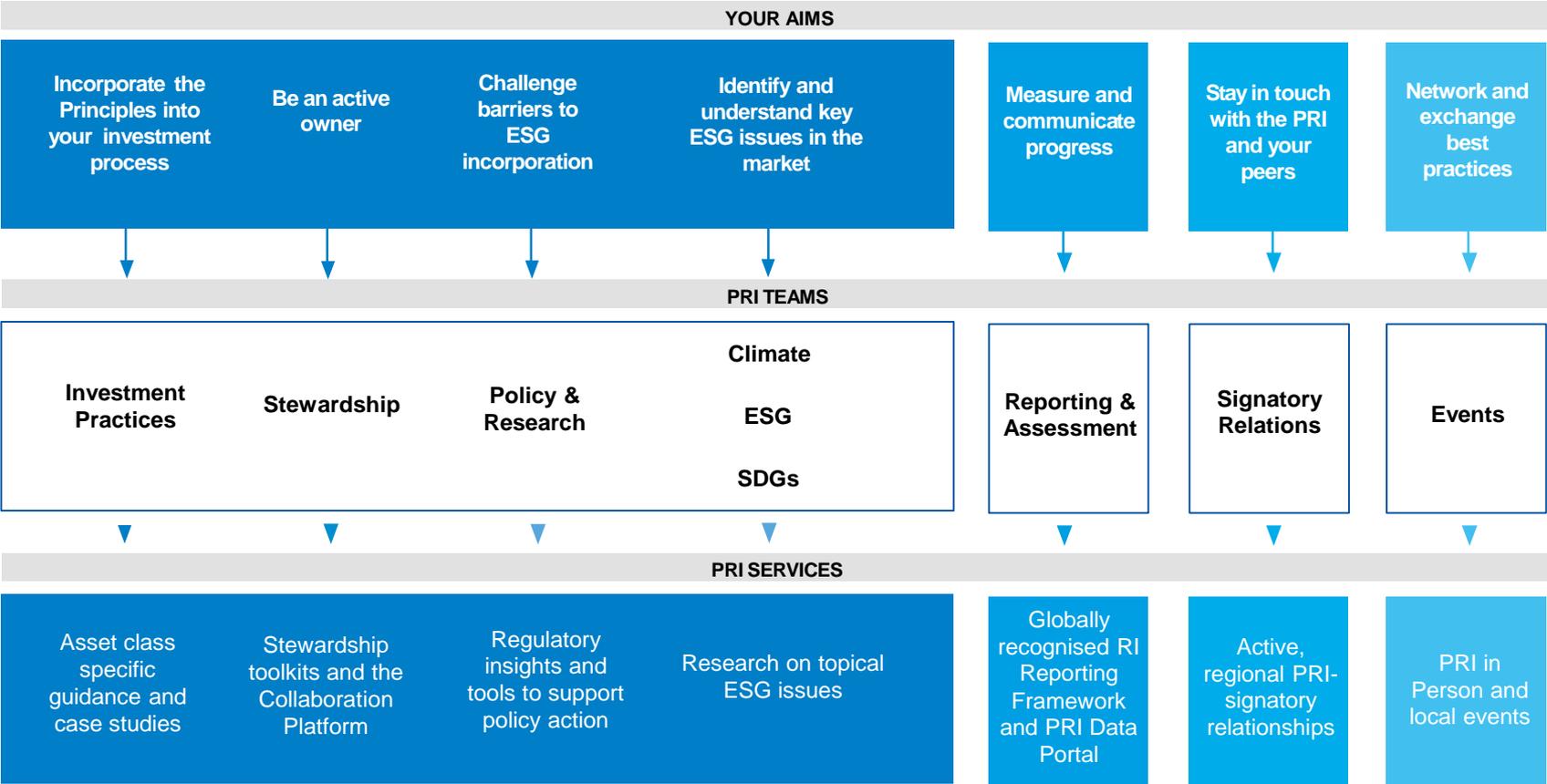
- Challenge barriers to a sustainable financial system
- Drive meaningful data throughout markets

A prosperous world for all

- Champion climate action
- Enable real-world impact aligned with the SDGs

PRI services

What the PRI does for you



PRI value proposition

Understanding ESG risks, improving returns and creating long-term value

Why responsible investment?

Responsible investment (RI) aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns. Demand from beneficiaries and investors is growing, the pace of RI regulation is increasing, and reputational risks are becoming ever more severe. Research from academics and the private and public sector is increasingly showing the materiality of ESG factors for investors.

Why become a PRI signatory?

Join a leading global network of over 2,000 signatories who are working to incorporate ESG factors into investment decisions and ownership practices. Signing the internationally-recognised Principles for Responsible Investment allows your organisation to publicly demonstrate its commitment to responsible investment.

What do signatories receive?

Tailored personal support

Get in touch with the PRI network manager dedicated to serving signatories in your market. Our local and regionally-based network manager teams help direct signatories to PRI resources and activities, based on your needs and interests, and they typically speak your language!

Tools and guidance

Benefit from a variety of useful policy and practice guidelines, webinars, toolkits and case studies specific to your asset classes and your direct/indirect investments, as well as research on key ESG issues and important regulatory developments.

Reporting and assessment

Utilise PRI's annual reporting framework: the largest global reporting tool and database on responsible investment. As a signatory, you can benefit from the modular format of the framework and from the feedback on your progress (via assessment reports) over time and relative to your peers.

Collaboration

Share experiences, knowledge and resources with companies, policy makers, academics, and over 2,000 fellow investors and service providers, via PRI's Collaboration Platform. Participate in events or workshops with other signatories in your region.

Education

Access key findings from academic research and collaborate with academics through the PRI's Academic Network. Educate your staff with preferential access to PRI Academy, the world's leading responsible investment online training course.

Data portal

Obtain information on other signatories via the Data Portal, a web-based platform that allows you to access publicly-disclosed PRI "transparency reports", request private reports from other signatories, export responses (including assessment scores) and explore the distribution of scores for specific peer groups.

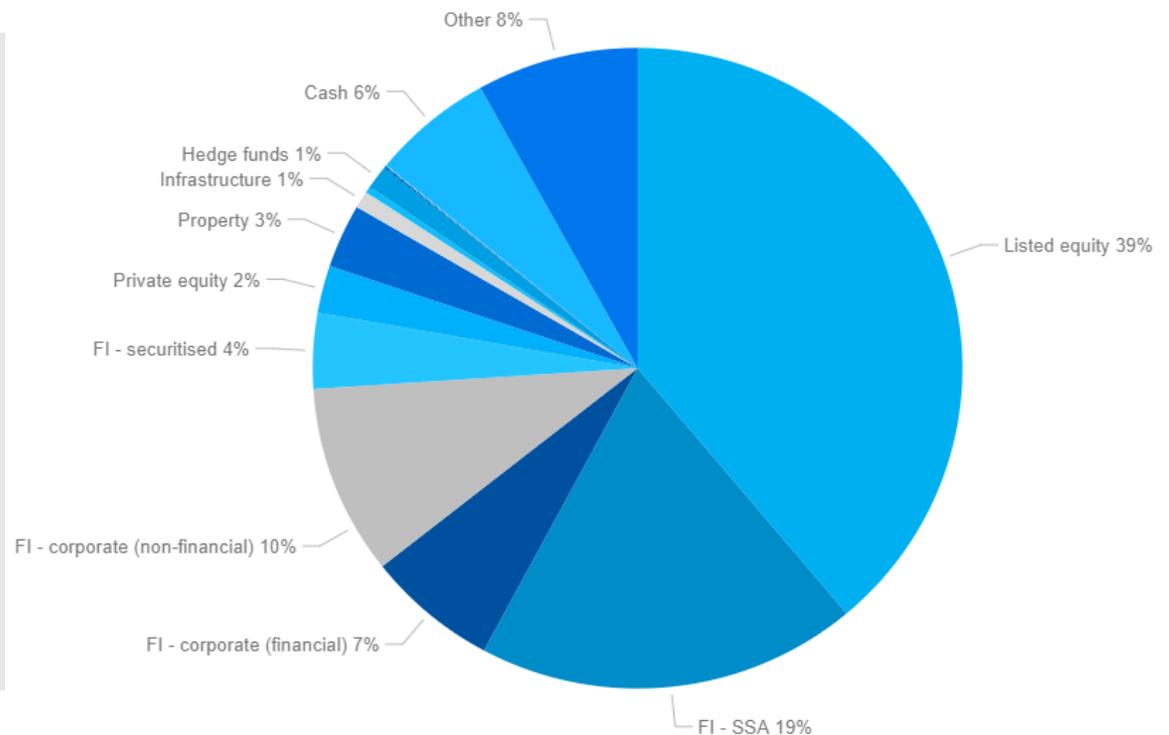
Investment Practices

Integrating the principles into investment processes

The Investment Practices team provides signatories with practical tools to help them implement the Principles across all asset classes.

Work Areas

- Listed equity
- Fixed income
 - Credit ratings
- Private Equity
- Hedge funds
- Infrastructure
- Property
- Farmland
- Thematic and impact investing



Asset class distribution of PRI signatories (2018)

ESG issues

Identifying key ESG issues that are material to investments

The PRI works with signatories to identify key environmental, social and governance issues in the market, and coordinates engagements, publications, webinars, podcasts and events to address them.

<h2>Environmental</h2> 	<ul style="list-style-type: none">▪ Climate change▪ Water▪ Plastics▪ Deforestation▪ Methane▪ Fracking	 <p>Implementing TCFD recommendations for oil and gas methane disclosure</p>
<h2>Social</h2> 	<ul style="list-style-type: none">▪ Human rights and labour standards▪ Employee relations▪ Conflict zones	 <p>Human rights and the extractives industry</p>
<h2>Governance</h2> 	<ul style="list-style-type: none">▪ Tax avoidance▪ Executive pay▪ Cyber security▪ Director nominations▪ Corruption	 <p>Evaluating and engaging on corporate tax transparency</p>

Active ownership

Engaging with investee companies and incorporating ESG into ownership policies

Active ownership is generally regarded as one of the most effective mechanisms to reduce risks, maximise returns and have a positive impact on society and the environment – for passive and active investors.



PRI-coordinated engagements bring together groups of signatories across asset classes to engage with investee companies in order to reduce risk and better manage ESG issues.



The **PRI Collaboration Platform** is a unique private forum that offers a range of global engagement initiatives with listed companies, policy makers and other actors in the investment chain.



Active ownership guidance: PRI produces practical guidance for investors to make active ownership an effective tool to support long-term value creation in different asset classes:



A PRACTICAL GUIDE TO ACTIVE OWNERSHIP IN LISTED EQUITY (2018)

Outlines concrete steps to make active ownership an effective tool to support long-term value creation in listed equity investing.



ESG ENGAGEMENTS FOR FIXED INCOME INVESTORS (2018)

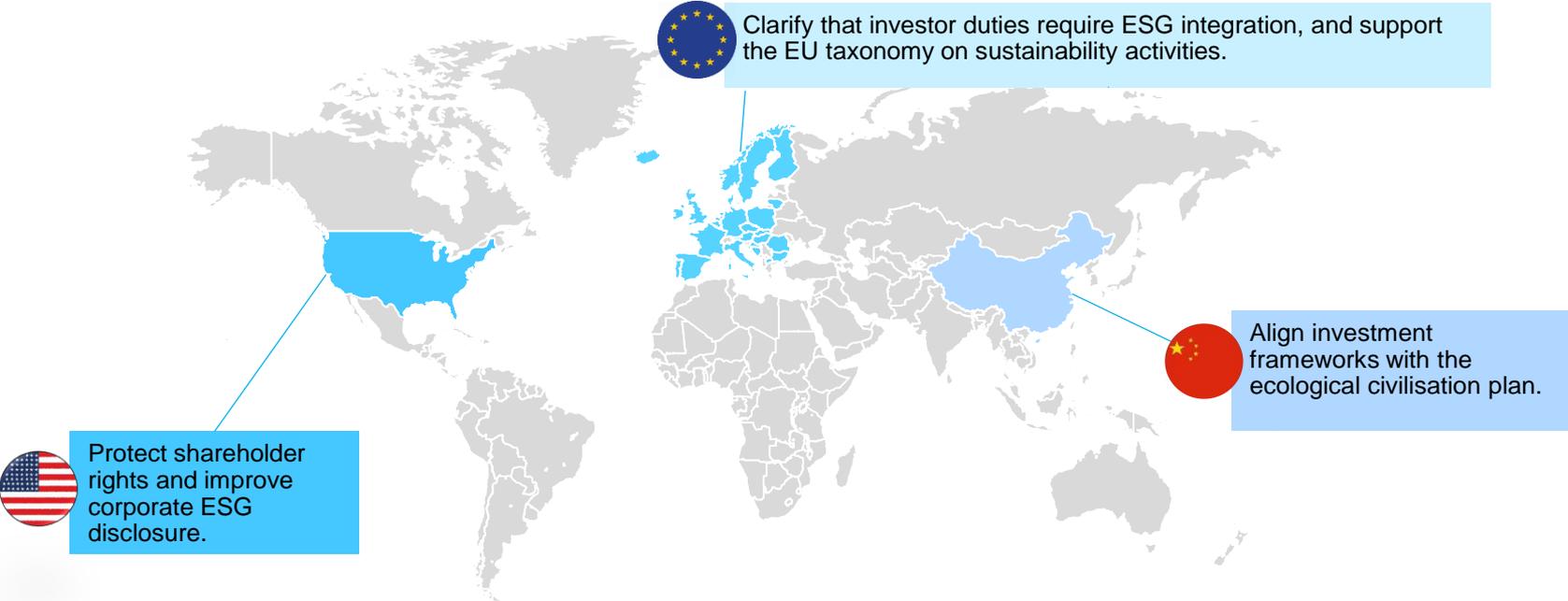
Explains how to engage with corporate bond issuers on ESG factors in order to identify and manage ESG-related risks.

Policy

Challenge regulatory barriers and promote supportive policy

The PRI works with policy makers, regulators, investors and stakeholders to improve the sustainability of the financial system and address systemic market risks through policy change. Focus areas of policy reform are pension fund ESG integration requirements, stewardship codes, corporate ESG disclosure requirements and alignment of policy frameworks with government sustainability commitments, such as the Paris climate agreements and the SDGs.

Priorities for policy engagement in 2019:



Reporting and Assessment

Measuring progress against targets and peers

PRI reporting is the largest global reporting project on responsible investment, developed with investors, for investors.

Key details:

- Robust and practical disclosure requirements
- Intuitive, efficient and customised online tool to simplify data submission
- Assessment results are yours to use as you wish: share to demonstrate performance against peers, or keep in-house as an internal learning and development tool



More than 80,000 downloads of PRI Transparency Reports per year



93% of signatories reporting in 2018 said that the Reporting Framework captures signatories' implementation of the Principles



TRANSPARENCY REPORT

Shows signatory responses to all of the mandatory indicators in the Reporting Framework, as well as responses to voluntary indicators that the signatory has agreed to make public.



ASSESSMENT REPORT

Demonstrates how a signatory has progressed in its implementation of the Principles year-on-year and relative to peers across asset classes. Confidential between the PRI and signatories.

Reporting and Assessment

Measuring progress against targets and peers

Benefits for signatories

- **Evaluates progress** against industry-standard framework and to benchmark performance against peers'
- **Strengthens internal procedures** and builds ESG capacity
- **Delivers ongoing PRI feedback** and tools for improvement
- **Presents the big picture** – the dataset and Assessment Reports are a huge resource for best practice
- **Summarises your RI activities** – valuable for engaging with internal staff, clients, shareholders and regulators

"The reporting has been an informative exercise that has indicated just how much we can improve our engagement and activities. The questions will form the basis on which we seek to enhance our activity."

London Borough of Haringey Pensions Committee, UK

"The PRI reporting framework has been a useful tool in understanding how our responsible investment practices are being perceived by the market."

Itaú Asset Management, Brazil

"We regard the reporting as a significant ESG implementation process for identifying future improvement and reviewing our activities for the next year."

Nissay Asset Management Corporation, Japan

"I had budgeted several weeks to complete it and found it took far less time. I really like the way the modules flow and felt as if I always had this big picture visibility of where I'd been, where I was, and where I needed to go."

California State Teachers' Retirement System, US



Signatory Relations

Address local challenges in all markets where you invest

The PRI works with more than 2,400 signatories globally, in over 60 countries. Our regional relationship managers represent signatories' first point of contact with PRI. The team works to raise local market awareness of responsible investment and guide signatories to pertinent PRI resources and expertise.



- Canada
- US
- Latin America (ex-Brazil)
- Brazil
- Nordic, CEE & CIS
- UK & Ireland
- Benelux
- France
- Germany, Austria & Switzerland
- Southern Europe
- Africa & Middle East
- Japan
- China
- Asia (ex Japan & China)
- Australasia

PRI Academy

Convene and Educate Responsible Investors

The Global Leader in Responsible Investment Training

The PRI Academy was developed to provide industry leading training on how ESG issues are impacting company performance, shareholder value and investment decision making

The course features content from international experts, real and hypothetical case studies and financial modelling. Every course is delivered entirely online and can now be accessed on tablet devices.



6000

Enrolments since 2015



63

Countries represented by participants



90%

Satisfaction rate



Courses

Getting Started in RI

Foundations in RI

Advanced RI Analysis

RI for Trustees



Case Studies



Available for CFA Institute CE Credits.
Available for CFP Board CE Credits (USA Only)

HOW TO ENROL

To enrol please visit our website at www.priacademy.org

For discounted group enrolments please email us at priacademy@unpri.org

PRI Academic research

Supporting and showcasing innovative responsible investment research and convening a vibrant, global community of academics and investors through the Academic Network.

Outreach



- [The Academic blog](#)
- The Academic Insights newsletter
- [Academic podcasts](#)
- [Academic Network Conference](#)

Academic tools



- [The Academic ESG Review](#)
- [The Academic ESG Data Review](#)
- [Top academic resources on responsible investment](#)

Data & research



- Internal research
- [PRI Reporting Framework data access](#)
- [PRI Global Responsible Investment Regulation Database Access](#)

To hear more about our academic research work visit our [website](#), or contact academic@unpri.org

An introduction to responsible investment

A new series of short reports providing an accessible introduction to the main approaches to responsible investment

- [What is responsible investment?](#)
- [Policy, structure and process](#)
- [Listed equity](#)
- [Fixed income](#)
- [Private equity](#)
- [Real estate](#)
- [Screening](#)
- [Climate change for asset owners](#)

AN INTRODUCTION TO
**RESPONSIBLE
INVESTMENT**

EXPLORE THE SERIES



Coming soon: engagement, human rights

Flagship projects

2020 - 2021

- **Climate Action (100+, COP26, Inevitable Policy Response) ★**
- **ESG in Credit Risk and Ratings ★**
- **Sustainable Development Goals (SDGs) ★**
- **European Technical Expert Group on Sustainable Finance – Taxonomy ★**
- **Manager Selection Appointment and Monitoring ★**
- **Human Rights and Modern Slavery ★**
- **A Legal Framework for Impact ★**



★ Featured in this edition

Appendix

Emerging Asian Asset Owner Leadership

Examples:

- Ping An insurance
- Hong Kong Monetary Authority
- National Pension Service, Korea
- Government Pension Fund, Thailand
- Employees Provident Fund, Malaysia
- Temasek Holdings

“HKMA introduces key measure on sustainable banking and green finance”

(HKMA, May, 2019)

“Thailand pension fund to integrate ESG criteria into equity investments in 2020”

(Asia Asset, Nov, 2019)

“Thailand's Government Pension Fund's new ESG rules draw 32 signatories”

(Asia Asset, Aug. 2019)

Asset owner signatories

The top 50 asset owners by AUM

*as of 24/08/2020

Account Name	HQ Country	Signature Year
Achmea	Netherlands	2007
AG2R La Mondiale	France	2018
Ageas	Belgium	2019
AIA Group Limited	Hong Kong SAR	2019
Allianz SE	Germany	2011
ATP	Denmark	2017
AustralianSuper	Australia	2007
AXA Group	France	2012
BNP Paribas Cardif	France	2016
CDPQ	Canada	2006
CalPERS	United States	2006
CalSTRS	United States	2008
CPPIB	Canada	2006
CDC - Caisse des dépôts et consignations	France	2006
CNP Assurances	France	2011
Crédit Agricole Assurances	France	2010
Development Bank of Japan	Japan	2016
Employees Provident Fund	Malaysia	2019
Generali Group	Italy	2011
GEPF of South Africa	South Africa	2006
GPIF	Japan	2015
Hong Kong Monetary Authority (HKMA)	Hong Kong SAR	2019
Japan Post Insurance Co., Ltd.	Japan	2017
Korea National Pension Service (NPS)	Korea, Republic of	2009
Landesbank Baden-Württemberg (LBBW)	Germany	2009

Account Name	HQ Country	Signature Year
Lloyds Banking Group	United Kingdom	2012
MACIF	France	2016
Meiji Yasuda Life Insurance Company	Japan	2019
MS&AD Insurance Group Holdings, Inc.	Japan	2015
Munich Re	Germany	2006
New York State Common Retirement Fund	United States	2006
Nippon Life Insurance Company	Japan	2017
Norwegian Government PF Global	Norway	2006
Ontario Teachers' Pension Plan (OTPP)	Canada	2011
Ping An Insurance (Group) Company of China	China	2019
Poste Vita S.p.A.	Italy	2019
Public Sector Pension Investment Board	Canada	2014
R+V Versicherung AG	Germany	2020
Royal London Group	United Kingdom	2020
Société Générale Assurances	France	2020
Stichting Pensioenfonds ABP	Netherlands	2006
Stichting Pensioenfonds Zorg en Welzijn	Netherlands	2006
Sumitomo Life Insurance Company	Japan	2019
Sun Life Assurance Company of Canada	Canada	2014
Swiss Life AG	Switzerland	2018
Swiss Re Ltd	Switzerland	2007
Talanx Group	Germany	2019
The Dai-ichi Life Insurance Company,	Japan	2015
University of California	United States	2014
Zurich Insurance Group	Switzerland	2012

PRI services

How the PRI works with signatories

