

2021-22 PRI BOARD REPORT

INCLUDING 2022
SIGNATORY GENERAL
MEETING AGENDA
AND SIGNATORY VOTING

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INTRODUCTION

The main objective of this PRI Board report is to complement my [Chair introduction](#) in the annual report and provide more detail on the PRI Board and committees' discussions and their outcomes.

The PRI Board report also includes information on the role of the PRI Board, the directors and UN partners that serve on the Board, their commitment to their Board roles, and the recommendations from the recent external Board review.

Lastly the report has the agenda for the forthcoming PRI Signatory General Meeting on 13 /14 October and the items that signatories will be requested to vote on in late 2022. I look forward to seeing many of you online at the SGM.

Regarding the functioning of the Board, I am pleased that the recent external board review confirms my belief that we have a committed and engaged board that is focused on the oversight of the strategy and using the PRI's mission to inform strategic decision-making. Implementation of the review recommendations are underway or are planned. A number of the recommendations, such as more time spent on forward looking discussions and increased Board access to the Executive team, will be enabled by having a balance of in person and virtual meetings. Having had sixteen virtual meetings (and none in person) during the past financial year we as a Board are really relishing the opportunity to meet in person.

I would like to thank Angela Emslie, Hiro Mizuno, and Xander den Uyl, who left the board in the past year, for their dedication to the PRI. We have also welcomed three newly elected directors, Scott Connolly, Takeshi Kimura, and Wilhelm Mohn, as well as welcoming back three re-elected board members, Wendy Cromwell, Sharon Hendricks, and Laetitia Tankwe. I am sure that our board discussions are better for the diversity of representation on the board, with members broadly representative of the global signatory base, as well as diversity of role, experience, and gender. Thank you to my fellow Board members for their commitment to the PRI.

If you require more information about the Board's role and discussions or more generally about the PRI's governance please see the governance pages of the [PRI website](#) and or contact governance@unpri.org.



Martin Skancke,
Chair, PRI Board

PRI BOARD REPORT

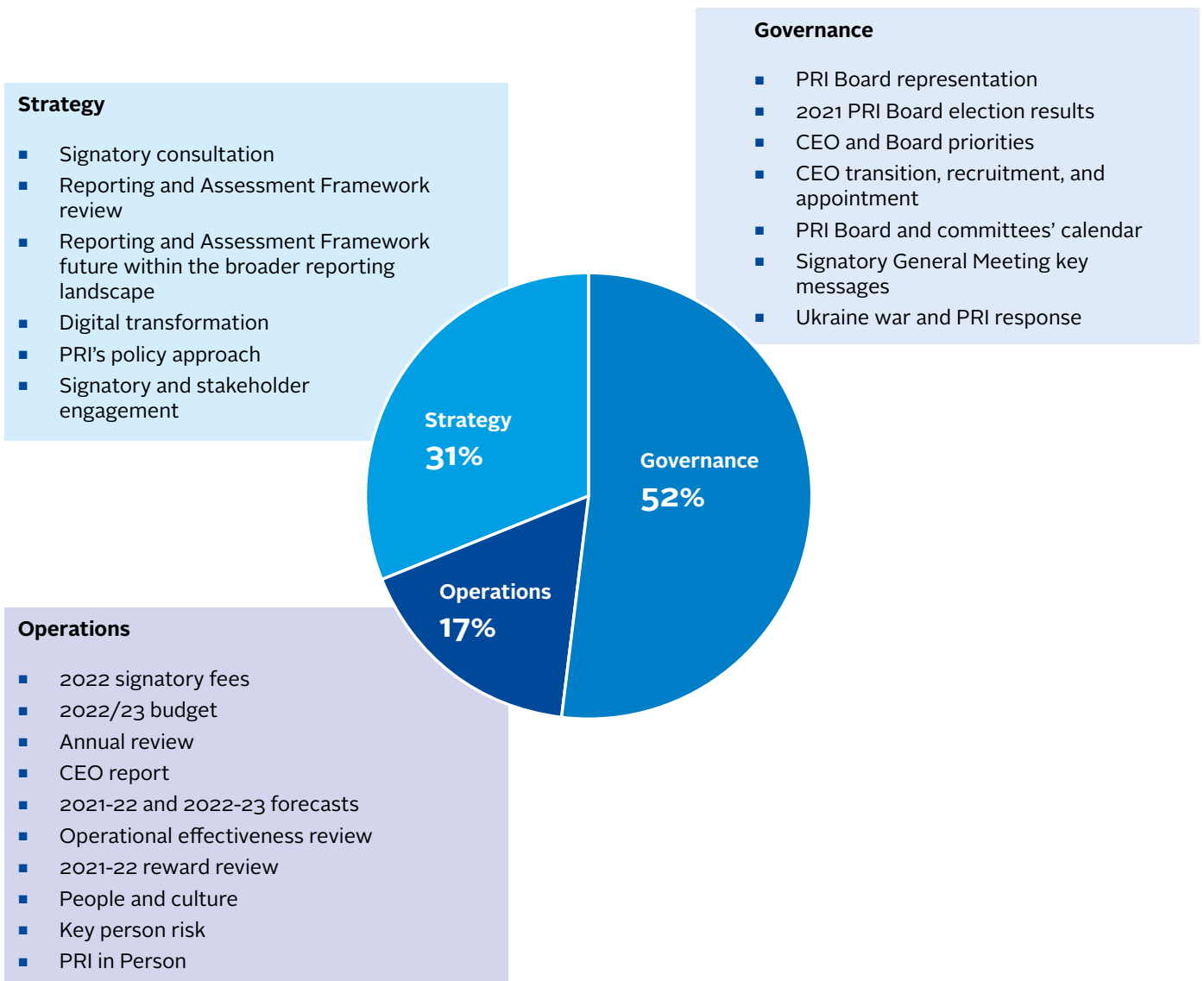
In the 2021-22 financial year the Board met sixteen times and all virtual meetings because of the ongoing Covid-19 pandemic. Many board discussions continued across multiple of these shorter virtual meetings. Below is a summary of the key Board discussions throughout the year and their outcomes.

Areas of focus	Key matters considered	Outcome
Strategy	Signatory consultation	<p>Following the formal signatory consultation on the PRI's 2021-24 strategy the Board committed to review the PRI's mission statement with signatories as an opportunity to engage with signatories and have a more structured discussion on the purpose and role of the PRI in a rapidly changing external environment. The Board decided to delay the conversation with signatories until after the appointment of the new CEO.</p> <p>With the new CEO, David Atkin, in place the Board has had several discussions on the scope and objectives of the consultation. The formal consultation will now start in September 2022 with a series of in person and virtual forums, followed by a signatory survey.</p>
	Reporting and Assessment Framework and the future of reporting	<p>The Board had frequent discussions on the Reporting and Assessment Framework, including feedback from signatories. The Board recognises the burden signatories face to meet reporting requirements, both for the PRI and within the changing regulatory landscape.</p> <p>The Board has regularly been updated on progress of the programme to deliver both the outputs from the 2021 reporting and the delivery of the 2023 Reporting and Assessment Framework. The Board has been supported by the ad hoc Reporting and Assessment Committee. The Board also commissioned an external consultant to be a 'critical friend' to the programme and to ensure that the Board has good oversight of the delivery of this complex project. See the Board committees' reports for more information on the work of the committee.</p> <p>The Board also discussed the future of the PRI's Reporting and Assessment Framework beyond 2023 in the context of the changing reporting landscape. The Board discussed the importance of accountability, the role and mission of the PRI and its unique value proposition, and the possibilities of leveraging technology.</p>
	PRI's policy approach	<p>The Board discussed the evolution of and purpose of the PRI's policy work, proposed changes to the ways of working regarding PRI's policy work, signatory engagement in the PRI's policy work and the role of the Board's Policy Committee.</p> <p>The Board agreed to: increase signatory engagement through the existing Global Policy Reference Group and the creation of Regional Policy Reference Groups; earlier and clearer signalling of PRI policy priorities; and greater Board and committee oversight of sensitive policy issues.</p>
	Digital transformation	<p>The Board discussed a number of proposed themes that a digital transformation could enable, including improving signatory engagement, better data analytics to support effective engagement with signatories, creating more personalised 'content' for signatories, developing technology, data infrastructure, skills, and tools to support effective analysis, decision making and efficient business processes.</p> <p>The Board agreed that the delivery of the Reporting and Assessment Framework, which requires significant IT skills and expertise should remain the number one priority. However, the team should start, when time and resources are available, on the digital transformation with the 'quick wins' and laying the foundations for future work.</p>




Areas of focus	Key matters considered	Outcome
Operational	Operational effectiveness review	In 2021 the Board commissioned an external consultancy to conduct an operational effectiveness review, that included a review of the PRI's financial, business, and operating models. The Board recognised that the PRI has now reached a critical point where the PRI needs to evolve, build a more robust, scalable, efficient, and global operating platform.
People and culture	Salary review and annual people and culture review	<p>Following a benchmarking process of the salaries of all organisational roles the Board and committee had encouraged a more performance evaluated salary review process. The Board approved the final salary review process.</p> <p>The Board also received an annual update on the PRI's people and culture, including key programmes of work and themes. The themes included skills and experience requirements, the need for more regional expertise, and staff retention and recruitment trends in a competitive environment.</p>
Finance	Signatory fees	The Board approved the signatory fees for 2022. The fees remained the same as 2021, without an inflationary increase.
	2022/23 budget	The Board approved the 2022/23 budget. The agreed priorities for the year are the delivery of the new Reporting and Assessment Framework; the continued delivery of the initiatives committed to in the 2021-24 strategy; and a constructive signatory consultation. The budget also includes resources for improving the PRI's foundations, including how we engage with the diverse signatory base, developing our operating model, starting the digital transformation, and continued work on culture and values.
Governance	2021 PRI Board elections	<p>In 2021 there were two PRI Board director elections, a mid-term election, and an annual election. For the mid-term election, the Board encouraged candidates from signatories with an HQ in Asia. Takeshi Kimura - Nippon Life Insurance Company (Japan), nominated during the exclusivity period and signatories voted to approve the candidate appointment.</p> <p>In the annual election, the Board encouraged asset owner candidates from North America and Australasia and for all candidates with governance skills and senior leadership experience. Scott Connolly - Telstra Super (Australia), Wendy Cromwell - Wellington (USA), Sharon Hendricks - CalSTRS (USA), Wilhelm Mohn - NBIM (Norway), and Laetitia Tankwe - CFDT (France) were elected.</p>
Risk	Risk management	As part of the strategy process the Board discussed strategic risks. At every Finance, Audit and Risk Committee meeting, the committee review and discuss operational risks. These operational risks are then reported to the Board, and discussed when appropriate. Following the operational effectiveness review the Board has committed to reforming the risk framework, including a Board agreed formal risk appetite. For more information on identified strategic and operational risks see the annual report .
Succession and leadership	CEO transition, recruitment, and appointment	Following a comprehensive global search process the Board appointed David Atkin as the new CEO in November 2021. The Board was supported in the process by a dedicated CEO Search Committee. For more information see the committees' reports.



BOARD DISCUSSIONS DURING THE YEAR

The graph below gives an indication of Board's time spent in percentage discussing agenda items related to strategy, operations, and governance. There was 17% increase in time spent on Board discussions on governance from 35% in 2020-21 to 52% in 2021-22 because the Board spent considerable time discussing and agreeing the CEO transition, recruitment, and appointment.



CHAIR	DIRECTORS ELECTED BY ASSET OWNERS						
							
<p>Martin Skancke Independent member Current term expires: 2023</p>	<p>Scott Connolly Telstra Super (Australia) Current term expires: 2024</p>	<p>Eva Halvarsson AP2 (Sweden) Current term expires: 2022</p>	<p>Sharon Hendricks CalSTRS (USA) Current term expires: 2024</p>	<p>Takeshi Kimura Nippon Life Insurance Company (Japan) Current term expires: 2023</p>	<p>Wilhelm Mohn NBIM (Norway) Current term expires: 2024</p>	<p>Renosi Mokate GEPF (South Africa) Current term expires: 2023</p>	<p>Laetitia Tankwe CFDT (France) Current term expires: 2024</p>
<p>Committee membership:</p>	<p>Committee membership from January 2022:</p>	<p>Committee membership:</p>	<p>Committee membership:</p>	<p>Committee membership:</p>	<p>Committee membership from January 2022:</p>	<p>Committee membership:</p>	<p>Committee membership:</p>
<ul style="list-style-type: none"> CEO Search (Chair) Reporting and Assessment, to December 2021 	<ul style="list-style-type: none"> Governance Policy Signatory Status 	<ul style="list-style-type: none"> CEO Search Finance, Audit and Risk HR and Remuneration 	<ul style="list-style-type: none"> Governance (Chair, from January 2022) HR and Remuneration, from January 2022 Policy, to December 2021 	<ul style="list-style-type: none"> Policy, from July 2021 Signatory Status, from January 2022 	<ul style="list-style-type: none"> Finance, Audit and Risk Reporting and Assessment 	<ul style="list-style-type: none"> HR and Remuneration (Chair) 	<ul style="list-style-type: none"> Finance, Audit and Risk, to December 2021 Policy Reporting and Assessment (Chair)

DIRECTORS ELECTED BY NON-ASSET OWNERS		
		
<p>Wendy Cromwell Wellington (USA) Current term expires: 2024</p>	<p>Tycho Sneyers LGT (Switzerland) Current term expires: 2023</p>	<p>Michael Jantzi Sustainalytics (Canada) Current term expires: 2022</p>
<p>Committee membership:</p>	<p>Committee membership:</p>	<p>Committee membership:</p>
<ul style="list-style-type: none"> Finance, Audit and Risk (Chair) Reporting and Assessment HR and Remuneration, to December 2021 	<ul style="list-style-type: none"> Finance, Audit and Risk, to December 2021 Governance, from January 2022 Signatory Status (Chair) 	<ul style="list-style-type: none"> CEO Search Policy Reporting and Assessment Signatory Status

PERMANENT UN ADVISORS	
	
<p>Sanda Ojiambo UN Global Compact</p>	<p>Eric Usher UNEP FI</p>
<p>Committee membership:</p>	<p>Committee membership:</p>
<ul style="list-style-type: none"> Governance 	<ul style="list-style-type: none"> CEO Search Policy (Chair, from January 2022)

[Learn more about the PRI Board](#)

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 CEO.

COMMITMENT AND INTEGRITY

All Board directors and the UN permanent advisors remain committed to their roles on the PRI Board. Board directors must abide by the Code of Ethics and Conduct, and the Directors' Terms of Reference. A register of interests is maintained.

Due to the continuing Covid-19 pandemic the Board met virtually in 2021-22 but looks forward to moving to mix of online and in-person meetings. The Board's view is that some discussions, particularly on strategy and more complex issues can be better conducted in person. The Board met sixteen times in 2021-22. This was driven by shorter more frequent virtual meetings and the CEO search process, that required significant Board attention. The Board had five sole focus meetings on the CEO search process. For more information on the attendance records see the tables.

CHARITY GOVERNANCE CODE

We have reviewed our governance arrangements against the principles and recommended practice for larger charities in the Charity Governance Code. As a mission driven not for profit, we considered this Code most applicable to the PRI. The Charity Governance Code is deliberately aspirational, and compliance is not mandatory. The PRI currently applies all the principles and the majority of the applicable supporting recommended practice. Some practices recommended by the Charity Governance Code are not relevant to the PRI due to our governance structure, for example, directors are elected through signatory vote rather than appointed through a nominations process.

PRI BOARD AGREED POLICIES

As a mission driven signatory led organisation the PRI publishes rules, policies and term of reference which enshrine the procedures and practicalities required to give effect to each Article in more detail.

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

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

BOARD EFFECTIVENESS

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 2-4 years. Following an open tender process in 2022 the PRI appointed Nestor Advisors to undertake a facilitated evaluation of the effectiveness of the PRI Board and its committees, building on the previous Board evaluation it conducted in 2018. The external review included a questionnaire, interviews with Board members and members of the Executive, and witnessing one Board meeting and one committee meeting. The results indicate that the Board and its committees function well. Nestor Advisors provided a [summary of their findings](#).

There were a number of positive aspects in the report including:

- The Board is seen to provide generally effective oversight of strategy using the PRI's mission to inform its strategic decision-making.
- Board members are aware of signatory expectations and there is strong relationship with UN Partners.

- The Board is well composed, given the nature of the selection process, with a good mix of experience and skills and a refreshment rate to allow new viewpoints to come onto the Board.
- The Board's discussions are open and candid, managed and led by an effective Chair which is seen as a key Board strength. Directors are committed to their work with the PRI, and value their role on the Board.
- The induction process is strong, and the annual Board and committee agendas structure the Board's work well. The allocation of time on the agendas is appropriate, and the secretarial support is strong.
- The committee structure is seen to be appropriate, with each committee being well composed and led and effective in supporting the Board's work and decision making.

The Board welcomed the external assessment as an opportunity to reflect on how to improve performance and effectiveness. The report recommended several actions which are being addressed.

Action areas	Actions to date and promised
Role of the Board	<ul style="list-style-type: none"> ■ The Board has now refocused its discussions on strategic matters, which had previously been more challenging in a virtual format. ■ The CEO is progressing the review and improvement of KPIs and a PRI-wide dashboard of organisational performance. ■ Dedicated Board conversations on collaborative initiatives are planned.
The Board's relationships with signatories and stakeholders	<ul style="list-style-type: none"> ■ As the PRI has grown considerably to 5,000 signatories the most effective model to enhance signatory engagement is being considered. The forthcoming signatory consultation will provide an opportunity for Board members to engage with signatories.
Board composition and skills	<ul style="list-style-type: none"> ■ A Chair Search Committee has been established to lead the process to appoint a new Chair from January 2024. The composition includes a range of diversity, including representation from all signatory categories and UN partners, and geographic diversity.
Board functioning and dynamics	<ul style="list-style-type: none"> ■ From 2022 onwards, the Board will have a combination of virtual and in person meetings which will focus on strategic issues. ■ The Board will have more interaction with a wider group of Executives beyond the CEO.
Board processes and support	<ul style="list-style-type: none"> ■ The template for Board papers has been updated to have clearer framing and questions to prompt discussion. ■ An annual plan for knowledge sharing sessions for the Board will be developed.

CHAIR RECRUITMENT

The current Chair, Martin Skancke's third term ends in December 2023. Under the [PRI Articles](#) the independent PRI Board Chair may only serve a maximum of three consecutive three-year terms. The PRI Board has therefore started the search process for the next Chair. The Board has established an ad hoc Chair Search Committee, with Sharon Hendricks as the committee chair, and the support of fellow Board members Renosi Mokate, Tycho Sneyers, and Sanda Ojiambo. The committee has diversity of representation, including from different signatory categories and a permanent UN advisor, geographies, and gender.

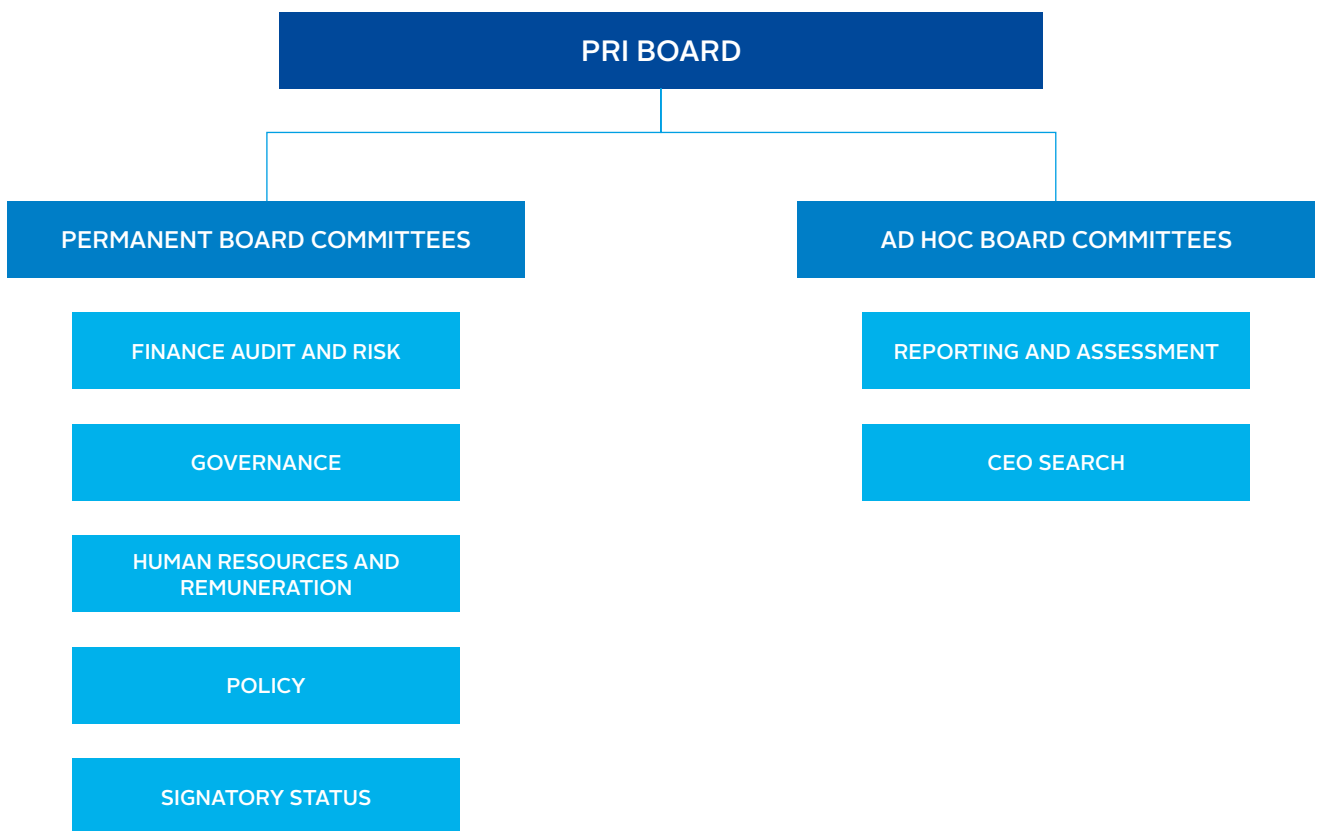
The intention is to recruit an executive search consultant in late 2022 and then formally advertise the Chair role. One key element, that the Board has already stressed, is the requirement for a search process that encourages a diverse candidate pool and reflects on diversity at every stage in the process.

The independent PRI Board Chair is nominated by the PRI Board and confirmed by a simple signatory majority vote, including a simple majority of asset owner voters. The aim is to ask signatories to confirm the next Chair in late 2023, before the start of the new Chair term on 1 January 2024.

PRI BOARD COMMITTEES REPORT

The Board has five permanent supporting committees, and they are critical to the Board's effectiveness. In addition, two ad hoc committees were established. These two ad hoc committees were the CEO Search Committee, to support the Board in the appointment of the new CEO, and the Reporting and Assessment Framework Oversight Committee, to strengthen Board oversight of this critical programme.

The role of committees is to support the effectiveness of the Board. They can give more time to issues helping the Board to make more effective use of its time. No powers are delegated to these committees, their role is either to oversee and or make recommendations to the Board. Each permanent committee has a publicly available terms of reference.



Below is a summary of the remits and work of the respective committees from 1 April 2021 to 31 March 2022.

FINANCE, AUDIT AND RISK COMMITTEE

The committee's purpose is to assure the Board of the veracity of the financial statements, the efficacy of risk management, the efficacy of compliance controls, and strength and appropriateness of control processes across the PRI.

The committee met six times in 2021-22, discussions particularly focused on:

- Review of the 2020-21 external audit and selection process and appointment of Deloitte for the 2021-22 audit. After many years with our previous auditor, the committee and Board considered it appropriate to appoint a new audit firm. The committee was pleased that 99.4% of signatories who voted confirmed the appointment of Deloitte.
- Financial oversight including the 2021-22 mid-year forecast, 2022/ 23 budget, 2022 fees and foreign exchange variance.
- Improving organisational effectiveness. As we committed to last year KPMG were appointed to conduct an externally led operational effectiveness review. The committee was updated on the progress of the review. It identified a number of priorities including digitisation, improved project management and development of a target operating model. The Executive are in the process of implementing the recommendations with the oversight of the Board and committee.
- Review of the operational risk register and compliance report. The committee also had discussions on risks related to the Reporting and Assessment programme delivery, the PRI in Person event, IT security, the war in Ukraine, financial risk, and key person risk.

Terms of reference

GOVERNANCE COMMITTEE

The committee's purpose is to provide guidance to the Executive and make recommendations to the Board as necessary on the Board and company's governance, including guidelines, policies, and practices; the PRI Board's effectiveness, including skills, diversity, and expertise; the PRI Board elections; and the PRI Code of Ethics and related ethical issues.

The committee met three times in 2021-22, discussions particularly focused on:

- Oversight of the 2021 mid-term election. There was a three-week 'exclusivity period' for candidates from Asia. There was one nominated candidate in the 'exclusivity period' who campaigned and was elected. Takeshi Kimura, Nippon Life Insurance Company (Japan) was elected.
- Oversight of the 2021 annual election. The 2021 PRI Board election was for four asset owners and one investment manager representative positions. There were ten candidates competing for four asset owner positions and ten candidates competing for one investment manager position. The Board encouraged asset owner candidates from North America and Australasia and governance skills and senior leadership experience for all candidates. Scott Connolly - Telstra Super (Australia), Wendy Cromwell - Wellington (USA), Sharon Hendricks - CalSTRS (USA), Wilhelm Mohn - NBIM (Norway), and Laetitia Tankwe - CFDT (France) were elected.
- Review of the 2021 mid-term and annual election process. The committee was satisfied with the PRI Board elections process and voter turnout for both the mid-term and annual elections.
- Diversity, including considering what diversity means to the PRI as a global organisation and how to ensure a broad range of candidates in elections. The committee noted the importance of having diverse representation on the Board including gender, geography, types and size (AUM) of organisation.

Terms of reference

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The committee's purpose is to ensure that the human resources (HR) and remuneration arrangements support the strategic aims of the PRI and enable the recruitment, motivation and retention of employees while complying with the requirements of regulatory and governance bodies, satisfying the expectations of its members, and remaining consistent with the expectations of the wider target employee population. The committee is also responsible for PRI Chair review process.

The committee met three times in 2021-22, discussions particularly focused on:

- Review of the new reward principles and associated budget. The PRI appointed Gallagher to undertake a review of the current reward practices to assess if they are fit for purpose and make recommendations on how to strengthen our reward practices to attract and retain employees. This led to the development of the new reward policy, which the committee recommended to the Board for approval.
- Review of the Chair's working days. The committee also agreed to include the Chair's annual review within the external Board assessment.
- Employment turnover, risk, compliance, and human resources related law. The committee discussed these four issues as standing items, when relevant.
- Oversight of people related reviews. Discussions on the people and culture annual review, mostly focussed on hybrid working and the importance of creating the right work environment. The Diversity, Equity, and Inclusion (DEI) review recommended the creation of a dedicated DEI role. The committee was pleased a DEI Lead was appointed at the beginning of 2022. A new DEI strategy and policy are being developed in 2022-23. The PRI continues to make progress in DEI and strives to achieve best practice.

Terms of reference

POLICY COMMITTEE

The committee's purpose is to guide the preparation of financial system, policy and 'drive meaningful data' related work programmes for the Board. This includes strategic guidance on the activities to realise a sustainable financial system (as set out in the PRI's mission) and oversight of the PRI's programme to drive meaningful data throughout markets. The role of the committee is to guide the Executive in the preparation of materials for the Board, reviewing planned papers and related materials, encompassing programme plans, and financial and resourcing plans.

The committee met four times in 2021-22, discussions particularly focused on:

- The PRI's policy approach. The committee agreed on the importance of real-world outcomes, to be an ambitious work stream whilst acknowledging local specificities and market sensitivities and encouraging signatories to have an active policy engagement strategy.
- Review of frameworks and classifications including the EU Taxonomy and Legal Framework for Impact. The committee discussed the importance of the PRI providing clarity for signatories, that objectives should not just be made for 2050, but there needs to be clear transition pathways with aligned short-term sustainability objectives.
- Review of PRI consultations including the U.S. Securities and Exchange Commission request for Climate Change Disclosures and the methods for signatory engagement in this and similar consultations.
- The increasing need to focus policy engagement activities in regional markets and responding to regional signatory input.

Terms of reference

REPORTING AND ASSESSMENT FRAMEWORK OVERSIGHT COMMITTEE

The committee's purpose is to provide oversight of the development of the new PRI Reporting and Assessment Framework and to provide independent input and advice to the PRI Board when required. This includes the objectives and purpose, within the wider context of signatory reporting requirements; the development of the 'content' and its strategic alignment; key signatory communications; the Reporting and Assessment tool, and related programme management, governance, risks, and dependencies.

This is an ad hoc committee established from November 2021, and the expectation is that the committee will cease to operate in 2023 with the completed roll-out of the new Reporting and Assessment Framework, or when the Board consider that the committee is no longer necessary.

The committee met four times in 2021-22, discussions particularly focused on:

- Signatory feedback, the committee recognises the burden signatories face to meet reporting requirements, both for the PRI and within the regulatory landscape. The committee reviewed the PRI plans to improve the reporting experience for signatories.
- Assurance, given the challenges of Reporting and Assessment KPMG were appointed to provide a 'critical friend' role and report to the committee. KPMG highlighted two key risks: planning and progress management; and resource management. The Executive has put a number of measures in place to mitigate these risks.
- Monitoring progress of the workstreams. At every meeting the committee received a progress report from the Executive. PwC have been providing support to the Executive on the programme, which has mitigated some of the programme risks.
- Reviewing the current and emerging reporting landscape and obligations faced by PRI signatories and insights that might inform the future evolution of the Reporting and Assessment Framework.

Terms of reference

SIGNATORY STATUS COMMITTEE

The committee's purpose is to advise the Executive and make recommendations to the Board as necessary on signatory categorisation; signatory accountability - minimum standards; signatory accountability - integrity of the PRI initiative; and other any other issues around signatory status.

The committee met six times in 2021-22, discussions particularly focused on:

- How to strengthen minimum requirements for the next reporting cycle to increase transparency, accountability, and leadership among its signatories. The committee noted that ideally the level of ambition of the minimum requirements will increase over time and will help increase signatories' ESG integration practices.
- Review of the formal complaints received in the year, according to the [established policy](#). The recommendations were that none of the complaints received warranted formal engagement or delisting at this time.
- Consideration of more difficult signatory categorisation cases, noting as the industry is evolving it is becoming more complex. Throughout the year the committee considered signatory categorisation cases according to the [guidelines](#) and whether potential signatories are asset owners, investment managers or service providers. The committee reiterated that to be classified as an asset owner the signatory must meet all the criteria.

Terms of reference

CEO SEARCH COMMITTEE

Following Fiona Reynold's decision to step down from the CEO role for personal reasons, the Board established an ad hoc CEO Search Committee. The recruitment of the CEO is a critical role of the Board, requiring significant time and effort, and the role of the committee was to support the Board during this process. The committee was led by the Chair, Martin Skancke, and the members were Angela Emslie, Eva Halvarsson, Michael Jantzi, and Eric Usher. The committee appointed an executive search consultant to assist with a thorough global search for a new CEO.

The committee met nine times from June to October 2021 to:

- Discuss and draft a CEO profile, including skills, experience, and salary expectations, for recommendation and the approval of the Board.
- Discuss a search process that would encourage a diverse range of candidates being considered for the role. The aim of the research driven search process, led by the search consultant, was to present candidates that were ethnically diverse, as well as a gender balance. At every stage in the process the committee discussed the diversity of the candidates and took steps to try to ensure a diverse candidate list.
- Agree the roles and responsibilities in the search process, including the proactive search process led by the search consultant, the longlist interviews by the search consultant, shortlist interviews by the committee, and final interviews with the Board.
- Agree the longlist of candidates, and interview the shortlist of candidates.
- Recommend two final candidates for interview by the Board.

David Atkin was appointed CEO by the Board in November 2021, starting in the role in December 2021.

COMMITTEES' REFORM

In April 2022, the Board discussed reforming the committees' remits and composition. The initial driver of the reform was to have a more signatory focused committee. From May 2022 the committees were reformed to:

2022-2023 committee composition	Material changes compared to 2021-2022 remit
Permanent	
Finance, Audit, and Risk	Same remit.
Governance	Has expanded its remit to include that of the former Signatory Status Committee.
People and Culture	Replaced the HR and Remuneration Committee. This change reflects the wider remit set out within the people strategy.
Policy	Same remit.
Signatory Experience and Value Proposition	A new signatory focussed committee.
Ad hoc	
Reporting and Assessment Framework	Same remit.
Chair Search	A new committee to lead the chair search process.

We will report on the new committees in next year's report.

PRI BOARD ATTENDANCE

The expectation is that directors will participate in every meeting of the directors. The minimum number of planned meetings 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 2021

	Board	PRI Board Committee meetings						
		CEO Search	Finance Audit and Risk	Governance	HR and Remuneration	Policy	Reporting and Assessment	Signatory Status
Number of meetings	15	9	6	4	3	4	2	5
Wendy Cromwell	14 / 15		6 / 6		3 / 3		2 / 2	
Angela Emslie	14 / 15	8 / 9		4 / 4				5 / 5
Eva Halvarsson	13 / 15	8 / 9	6 / 6		3 / 3			
Sharon Hendricks	14 / 15			4 / 4		2 / 4		
Michael Jantzi	15 / 15	8 / 9				3 / 4	2 / 2	5 / 5
Takeshi Kimura*	7 / 7					2 / 2		
Hiro Mizuno**	3 / 3					0 / 1		
Renosi Mokate	9 / 15				3 / 3			
Sanda Ojiambo	11 / 15			3 / 4				
Martin Skancke	15 / 15	9 / 9					2 / 2	
Tycho Sneyers	14 / 15		6 / 6					5 / 5
Laetitia Tankwe	14 / 15		4 / 6			3 / 4	2 / 2	
Eric Usher	11 / 15	8 / 9				3 / 4		
Xander den Uyl	15 / 15			4 / 4		4 / 4		

* Takeshi Kimura joined the Board in July 2021

** Hiro Mizuno left the Board in March 2021

JANUARY – MARCH 2022

	Board	PRI Board Committee meetings					
		Finance Audit and Risk	Governance	HR and Remuneration	Policy	Reporting and Assessment	Signatory Status
Number of meetings	4	2	0	1	1	2	1
Scott Connolly	4 / 4				1 / 1		1 / 1
Wendy Cromwell	4 / 4	2 / 2				2 / 2	
Eva Halvarsson	3 / 4	1 / 2		1 / 1			
Sharon Hendricks	2 / 4			1 / 1			
Michael Jantzi	4 / 4				1 / 1	2 / 2	1 / 1
Takeshi Kimura	4 / 4				1 / 1		1 / 1
Wilhelm Mohn	4 / 4	2 / 2				2 / 2	
Renosi Mokate	4 / 4			1 / 1			
Sanda Ojiambo	0 / 4						
Martin Skancke	4 / 4						
Tycho Sneyers	3 / 4						0 / 1
Laetitia Tankwe	3 / 4				1 / 1	2 / 2	
Eric Usher	3 / 4				1 / 1		

2022 SIGNATORY GENERAL MEETING AGENDA

The 2022 Signatory General Meeting (SGM) will be held online. To accommodate the PRI's global signatory base there will be two SGMs on 13 October 2022, 15:00 – 16:30 BST and 14 October 2022, 06:30 – 08:00 BST..

1. PRI BOARD REPORT

Martin Skancke, Chair, PRI Board

2. MANAGEMENT AND FINANCIAL REPORT

David Atkin, CEO, PRI

3. SIGNATORY CONSULTATION

**Martin Skancke, Chair, PRI Board
and David Atkin, CEO, PRI**

4. SIGNATORY VOTING AND PRI BOARD DIRECTOR ELECTIONS

Martin Skancke, Chair, PRI Board

5. Q&A

**Martin Skancke, Chair, PRI Board
and David Atkin, CEO, PRI**

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 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; results of the annual review of the functioning of the Board; forthcoming Board elections; formal consultations; and any other business.

The PRI sought input from signatories on the SGM draft agenda in August 2022 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 August.

We have allocated time in the meeting for signatory questions. Signatories are asked to submit questions in advance, particularly detailed financial or legal questions, by email to governance@unpri.org by 13 September.

Alternatively, signatories can ask questions live during the meeting. For more information on the online SGM, how to participate and submit questions in advance, visit the [website](#).

Signatories approved last year's [2021 SGM minutes](#) via an online vote alongside the PRI Board election vote.

2022 SIGNATORY VOTING

From 20 October to 2 December 2022, signatories will be invited to vote on various elements of PRI governance. The table below represents the voting opportunities available to signatories in each category.

	Asset owners	Investment managers	Service providers
Vote for one asset owner representatives in the PRI Board election	✓		
Vote for one service provider representative in the PRI Board election			✓
Vote to receive the PRI Annual Report and Accounts¹	✓	✓	✓
Vote to approve the Signatory General Meeting minutes	✓	✓	✓

SIGNATORY RIGHTS

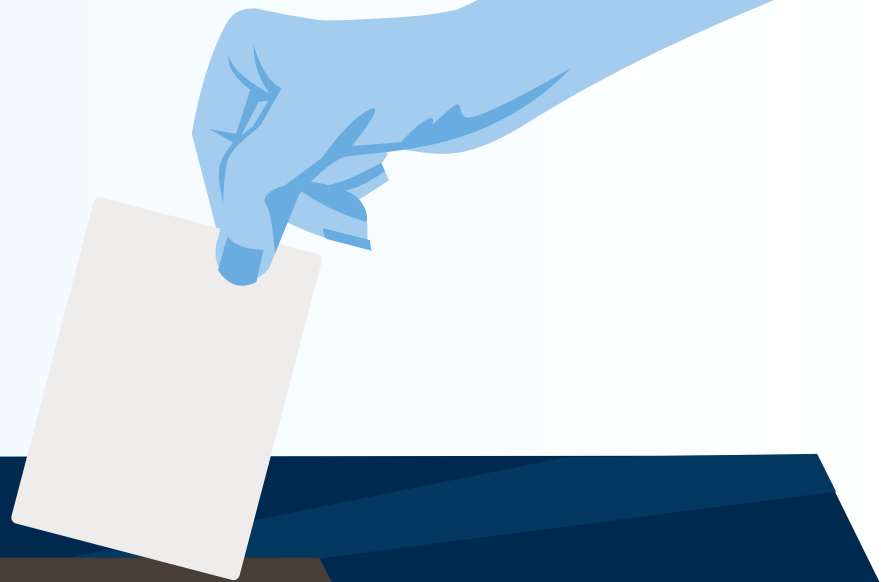
Signatory rights are enshrined in the [Articles](#). Signatories have the right to:

- 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;
- propose a non-binding resolution.

For more information on signatory rights, visit the [website](#).

As a membership organisation, to continue to thrive the PRI needs to engage signatories with relevant work and activities. Likewise, it is important for signatories to remain engaged and active in our governance.

Online signatory voting will open on 20 October and signatories will receive a voting ballot via email. Please make your vote count. For more information on the 2022 PRI Board elections and signatory voting process visit the [PRI website](#).



¹ Vote to receive the [PRI Annual Report and Accounts](#). The PRI will lay before each Signatory General Meeting (SGM) the Company's latest annual accounts; any reports that the Company or its officers are required to make in respect of such accounts; and (unless the Company is at such time exempt from audit) the auditor's report on those accounts and reports. The Company will provide the Signatories with an opportunity to receive such reports and accounts by way of a vote carried by a simple majority of those voting in an Electronic Poll.

The PRI Executive is responsible for preparing the annual accounts. The Finance, Audit and Risk committee has oversight of the financial reporting and audit processes and regularly reports to the board. The audited PRI annual accounts are approved by the PRI Board and signed by the Chair. All PRI signatories have information rights and have the right to vote to receive the annual report and accounts. Signatories are not asked to approve the accounts. Signatories can ask questions on matters which are related to the accounts. The PRI Association is a company limited by guarantee and does not have a share capital. Since the PRI does not have shareholders, it does not require its accounts to be approved by the shareholders.

The Principles for Responsible Investment (PRI)

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 (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

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



United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 8,800 companies and 4,000 non-business signatories based in over 160 countries, and more than 80 Local Networks.

More information: www.unglobalcompact.org

