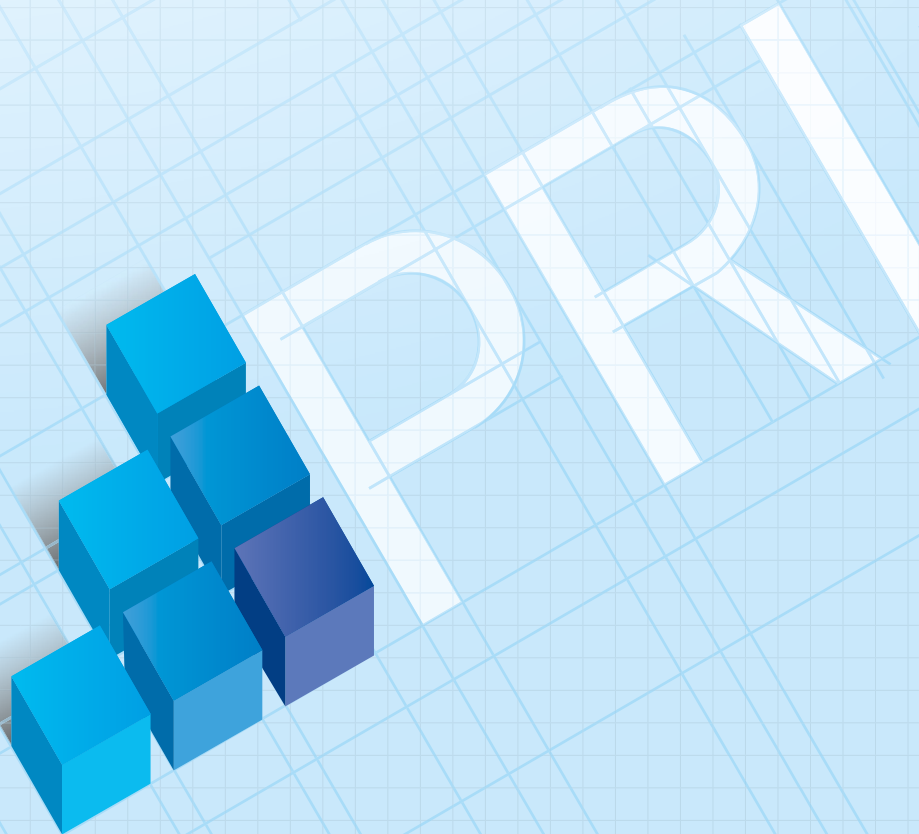


ANNUAL REPORT 2015

FROM AWARENESS TO IMPACT



THE PRI AND THE SIX PRINCIPLES

THE PRI'S MISSION

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

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

- 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.



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 six Principles were developed by investors and are supported by the UN. They have more than 1,400 signatories from over 50 countries representing US\$59 trillion of assets.

ABOUT THIS REPORT

The PRI 2015 Annual Report was published in July 2015. It shows how the activities of the PRI between July 2014 and June 2015 align with our strategic objectives. The financial statements contained within the report cover the period from 1 April 2014 to 31 March 2015.

The PRI Association is a UK-registered not-for-profit company limited by guarantee, UK company number 7207947.

CONTACT

If you have questions or comments about this report, please contact the PRI at: info@unpri.org

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MESSAGE FROM THE CHAIR

NEW HORIZONS

The past year, even more so than most, has been one of transformation for the PRI. We set ourselves an ambitious agenda for reform and renewal, comprising a new governance structure, a new three-year strategy and a revised funding model. The contribution of signatories has been critical to our success in implementing all of those changes. With the foundations in place, we have transparency and accountability, a sound strategy for 2015-2018 and the necessary resources to implement it.

The upcoming ten-year anniversary of the PRI's founding is an opportunity to set our sights on new horizons and ask: What should responsible investment look like in another ten years? What are the key issues that we need to address? What role should the PRI play?

We must look to develop a compelling vision for the future, strengthening – and where necessary, redefining – what being a signatory to the Principles means.

A natural starting point is the six Principles themselves, along with the PRI's Mission statement. The Principles were drafted before the 2007-2008 financial crisis, and primarily address the relationship between investors and investee companies. Yet much of the PRI's work – on fiduciary duty, long-term mandates, the Sustainable Stock Exchanges initiative and more – addresses systemic issues and principal-agent problems within the investment community. This is reflected in the PRI's Mission, drafted after the financial crisis, which talks of addressing the obstacles to a sustainable financial system that lie within market practices, structures and regulation. Should this ethos now be incorporated into the Principles themselves?

Having increased accountability to signatories through governance reform, we have established the accountability of the executive by setting the metrics by which their performance in implementing the 2015-2018 strategic plan will be measured. These provide quantifiable targets on key strategic aims such as the extent to which asset owners are considering responsible investment when selecting, appointing and monitoring managers, and the impact of PRI-coordinated engagements on target companies' awareness and acknowledgment of investors' concerns.

The PRI must now focus on ensuring that signatories are accountable to the PRI. We will consult with you on possible mechanisms for this, which could include new levels of membership to reflect signatories' level of commitment to responsible investment and new criteria for delisting signatories. We must also look at how the Reporting Framework can support increased accountability.

Targeting ever-greater mainstream incorporation of the concepts that we've spent the last decade formalising must be a key goal of the next ten years. The "Principles for Responsible Investment" may be relatively new, but having principles on how to invest responsibly is as old as investing itself. The work of the PRI and its signatories over the past



Martin Skancke
Chair
PRI Board

decade has been less about creating these ideas than about exploring how best to incorporate them into the day-to-day realities of investment policy, strategy and practice, and about spreading the message that doing so is a vital part of achieving good long-term returns.

The success of that message can be measured not only by how widely these concepts are incorporated into investment decision-making, but also by how deeply: by the extent to which they move away from being held under the umbrella of responsible investment and simply become part of investment.

I extend a sincere thank you to Fiona and her team for the expansive and meaningful work outlined throughout this report. Signatories remain at the heart of what we do, and we encourage your feedback on what you read.

Martin Skancke

MESSAGE FROM THE MANAGING DIRECTOR

BEYOND GROWTH

Moving from awareness to impact is the theme that our three-year strategic plan commits us to, and everything the PRI is doing is in pursuit of this.

Asset owners have always been, and must continue to be, at the heart of the PRI's Mission to build a sustainable financial system, and their importance to the cause must be matched by the support we provide. In the past year our *Asset owner climate change strategy* and *Long-term mandates* projects have focused on the unique needs of asset owners on two crucial issues that they face. In the next twelve months we will further boost resources by dedicating a new work stream to producing asset owner insight.

Along with increased support must come heightened accountability: the 2014 Report on Progress found that three-quarters of asset owners don't formally include responsible investment performance when evaluating their managers, and around 19 out of 20 don't consider it in deciding the performance-related pay of those in the top echelons of their organisations.

We are developing the Reporting Framework to better differentiate signatories who are leading on responsible investment. This will allow us to enable and then challenge asset owners to use this data in selecting and appointing their managers, and in holding them to account. The PRI's Reporting Framework has a unique breadth in the field of responsible investing, and the Transparency Reports constitute a remarkable public dataset.

We must also look at systemic challenges. Last year I talked about our policy work having "begun". There's no doubt that this year has seen it truly arrive. *Fiduciary duty in the 21st century* is both a fundamentally important investigation of why investors are not systematically integrating environmental, social and governance considerations as part of their fiduciary duty, and a practical guide on how to fix this.

For our impact on investors to be meaningful, it needs to be reflected in their impact on companies. Collaboration, at events and through our Clearinghouse platform, has happened at a greater scale than ever before this year. It is imperative that we maximise the output of this work by increasing the number of signatories engaging for influence, not just for information, and by evaluating the effects of PRI-coordinated collaborative engagements on targeted companies' policies, practices and disclosure.

Building towards COP21 in Paris in December, the PRI has focused on climate change through a number of initiatives run in conjunction with our UN partners and a range of global and regional climate bodies. The Montréal Carbon Pledge, launched at PRI in Person 2014, has succeeded in attracting more than 50 investors to commit to measure and publicly disclose their portfolio carbon footprint. In giving investors a quantitative understanding of the carbon emissions represented by a portfolio's holdings, a carbon



Fiona Reynolds
Managing Director
PRI

footprint is an invaluable tool for creating and implementing a broader climate change strategy.

Looking outside our walls, only with a strong voice can the PRI be truly effective. Our extensive coverage in outlets such as the Financial Times, Reuters, Bloomberg, CNBC, BBC and Institutional Investor is evidence of the progress we've made in building our ability to be heard.

Thank you to Martin Skancke for his dedication in Chairing the PRI Board and guiding the direction that the PRI will continue to take, and thank you to the entire Board for the insight that they bring from across the globe. The PRI's skilled, diverse and hard-working staff also deserve credit for enabling the incredible array of services that support our signatories.

The assets under management of our signatories grew by a third in the past 12 months to reach US\$59 trillion. Growth in our signatory base is welcome – it means that there is ever-widening belief in the Principles and it increases our signatories' collective influence – but within the PRI it must be seen not as success but as a responsibility, to better support those signatories to achieve the impact we all seek.

Fiona Reynolds

MARKET CHALLENGES

To inform its 2015-2018 strategic plan, the PRI reviewed the environment in which it operates and the problems that its tools and services seek to address.



N.B. A complete list of the market challenge the PRI identified is available in the 2015-2018 Strategic Plan

STRATEGIC OBJECTIVES

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The 2015-2018 strategic plan was developed in an inclusive process involving consultations with signatories and the PRI's staff, Board and UN partners.

The strategy comprises 14 objectives, grouped according to three themes:

FROM AWARENESS TO IMPACT	
1	Support signatories in making progress towards implementing the Principles
2	Provide opportunities for signatories to convene, share knowledge and collaborate
3	Engage and facilitate dialogue with key decision-makers
4	Facilitate collaboration between academics and investors and use our knowledge to educate signatories and stakeholders
5	Enhance signatory accountability mechanisms
EXTEND OUR COLLECTIVE INFLUENCE	
6	Strengthen the PRI voice and brand
7	Strengthen capacity and expertise in key regions
8	Increase the representation and participation of asset owners
9	Collaborate with key stakeholders to further our mission
10	Deepen and strengthen our relationship with UN partners
CAPABILITIES AND GOVERNANCE	
11	Enhance capacity for transparency and collaboration through PRI infrastructure
12	Attract, retain and develop the required human capital
13	Deliver and support an effective governance structure
14	Continue to build a financially sustainable organisation

This Annual Report shows how the activities of the PRI between July 2014 and June 2015 align with our new strategic objectives.

While some of the work in this period pre-dates these objectives (which came into effect 1 April 2015) we believe that it is important to demonstrate how the work that we have been doing and are continuing to do contributes to our present and future direction.

YEAR AT-A-GLANCE

FROM AWARENESS TO IMPACT

OVER
50
INVESTORS

SIGNED THE
MONTRÉAL
CARBON
PLEDGE

NEW ENGAGEMENTS ATTRACTING

96
SIGNATORIES

US\$11
TRILLION IN ASSETS

PRI in Person 2014

600
DELEGATES

26
COUNTRIES



MORE THAN

50
REGIONAL
EVENTS



INCLUDING
DIVESTMENT
DEBATES AND
RESEARCH,
INNOVATION
& STEWARDSHIP
WORKSHOPS

NEARLY
1,000



TRANSPARENCY REPORTS
ON THE PRI WEBSITE

MORE
THAN

200
STUDENTS
HAVE BEEN
TRAINED



BY THE NEW
PRI
ACADEMY

PRI ACADEMIC NETWORK
CONFERENCE 2014

5

ACADEMIC PAPERS
AWARDED FOR
EXCELLENCE



1ST
REPORT ON
PROGRESS



USING NEW
REPORTING
FRAMEWORK

MET
100+
REGULATORS
POLICY
MAKERS
CEOs & CIOs



EXTEND OUR COLLECTIVE INFLUENCE

220
NEW SIGNATORIES

24 ASSET OWNERS

162 INVESTMENT MANAGERS

33 SERVICE PROVIDERS



INCLUDING
FIRST TIME
EVER

GHANA

IRAN

PUERTO
RICO

SERBIA

8
NEW EXCHANGES
IN THE
SUSTAINABLE
STOCK
EXCHANGES
INITIATIVE

20
NEW US
SIGNATORIES

24
NEW
ASSET
OWNER
SIGNATORIES



12%
INCREASE IN
ASSET
OWNER
PARTICIPATION

OVER
100
MEDIA
APPEARANCES

CAPABILITIES AND GOVERNANCE

NEW
SIMPLE
TRANSPARENT
ACCOUNTABLE



GOVERNANCE
STRUCTURE



ENHANCED
SIGNATORY
RIGHTS

12
NEW
HIRES



SUPPORT SIGNATORIES IN IMPLEMENTING THE PRINCIPLES

KEY CONTACT

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Head of Implementation Support
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IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI produces guides, case studies and other publications to inform investors how to implement the Principles in a systematic way across asset classes.

FIXED INCOME

ESG integration can help fixed income investors to assess creditworthiness more comprehensively.

FIXED INCOME INVESTOR GUIDE

The [Fixed income investor guide](#) has been downloaded 5,000 times since its launch in September 2014. It gives practical advice on incorporating ESG criteria, screening, themed investments, integration styles and engagement across corporate, financial, SSA, ABS and private instruments.



It finds that:

- fixed income has a number of unique characteristics that benefit from a bottom-up approach to responsible investment;
- investors should fully embed responsible investment practices across their organisations' management, research, risk and sales functions to ensure credibility;
- investor demand is driving growth of the green bond market, but that investors must be wary of how green such impact investments really are, and of how the proceeds are used.

FIXED INCOME CASE STUDY SERIES

One objective of the PRI is to encourage signatories to share their knowledge. Accordingly, the *Fixed income investor guide* was followed by the launch of the *Fixed income case study series*. The series is written by practitioners from around the world and meets signatory demand for short, practical examples of how their peers are implementing responsible investment. The first nine have been published and are available on the PRI website. They include:

- [Community development programmes in Mexico](#) by HSBC
- [The business case for considering ESG dynamics in sovereign bonds](#) by Global Evolution

- [Green bonds: measuring impact](#) by KfW
- [Corruption as an indicator of creditworthiness](#) by Union Investment

CREDIT RATING AGENCIES PROJECT

Integrating ESG criteria into credit analysis is an important part of identifying and managing investment risk for bondholders. Many are therefore keen to work with credit rating agencies to ensure that material ESG factors are considered in a systematic way.

The PRI has launched a project to explore the potential for ESG risks to affect issuer creditworthiness. This will be an ongoing, collaborative effort to explore how the materiality of ESG factors varies over different timelines and how to increase the transparency of these factors in credit ratings.

NEW SUB-COMMITTEES

The Fixed Income Steering Committee has two new subcommittees: the Engagement Sub-committee and the Outreach Sub-committee.

For a full list of the steering committees guiding the PRI's work, see page 55.

LISTED EQUITY

Support for implementing responsible investment within listed equities has been part of the PRI since its inception. In the coming year, the PRI will be updating its hugely popular [Integrated analysis guide](#), which since its publication in February 2013 has been downloaded more than 20,000 times in multiple languages.

DO ESG MEGATRENDS INFLUENCE INVESTMENT DECISIONS?

To better understand the current state of ESG integration, a workshop at PRI in Person 2014 looked at which factors, including those related to ESG, were actively analysed and integrated into valuations of energy companies.



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

In [Do ESG megatrends influence investment decisions?](#) the PRI summarised the responses of 130 investment professionals on global megatrends impacting the energy sector and identified which key factors they integrate into their energy company valuations.

It found that even though investors acknowledge environmental megatrends such as carbon risk, competition from renewables and geopolitical risk, the biggest impact on valuations are still the traditional profitability drivers.

MATERIALITY OF ESG KPIS: A PERSPECTIVE FROM BRAZIL
[Materiality of ESG KPis: a perspective from Brazil](#) explores how material various ESG key performance indicators (KPIs) are across sectors for Brazil-based companies.



The PRI also produced a five-page [summary document](#) highlighting the key findings in an annotated heat-map table and providing an at-a-glance scorecard of the three most important ESG KPIs by sector.

NEW STEERING COMMITTEE

A new Listed Equity Steering Committee will advise on the strategy and implementation of the PRI's listed equity work. An excellent response to the call for applications resulted in a committee carefully selected to represent small and large asset owners and investment managers across the globe.

An Integration Sub-committee will work on a series of integration case studies and a follow-up publication to the pioneering *Integrated analysis guide*. An Outreach Sub-committee will promote responsible investment activity. For a full list of the steering committees that are guiding the PRI's work, see page 55.

ALTERNATIVES

The PRI works across a variety of alternative asset classes, including private equity, property, infrastructure, hedge funds and impact investment.

PEI-PRI RESPONSIBLE INVESTMENT FORUM

More than 200 people attended the sixth annual PEI-PRI Responsible Investment Forum in London in June 2015, nearly a third of which were limited partners. Sessions looked at ESG reporting between limited partners and general partners, the role of ESG in co-investments and the limitations of ESG integration in private debt and turnaround investing. A workshop studied ESG clauses in Limited Partnership Agreements.

LIMITED PARTNERS DUE DILIGENCE QUESTIONNAIRE

In private equity, work has started on a due diligence questionnaire for limited partners. The LP DDQ will build on the industry-wide ESG disclosure framework for private equity, along with other existing resources, to provide an adaptable list of ESG due diligence questions that limited partners can ask general partners.

REPORT ON PROGRESS IN INCLUSIVE FINANCE 2014

The [Report on progress in inclusive finance](#) summarises the progress that PRI signatories have made in implementing the Principles for Investors in Inclusive Finance (PIIF). It identifies areas of improvement and steps that fund managers and asset owners can take to maximise the impact of their investments.



PROVIDE OPPORTUNITIES FOR SIGNATORIES TO COLLABORATE

KEY CONTACT

Olivia Watson
Acting Head of Investor Engagements

olivia.watson@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
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The PRI works with signatories to identify key environmental, social and governance issues in the market, and coordinates investor engagements to address them.

PRI-COORDINATED ENGAGEMENTS COMPLETED DURING THE YEAR

ANTI-CORRUPTION

Thirty-three investors have spent two years engaging with 33 companies across sectors and regions to encourage more transparent anti-corruption strategies, policies and systems and better disclosure. Throughout the engagement, the PRI has presented the work at events and in publications with the UN Global Compact, the OECD and other business, government and civil society stakeholders.

The first phase of this engagement between 2010 and 2013 encouraged better disclosure and understanding of companies' anti-corruption policies and risk management systems. The second phase built on that by engaging companies on how they are implementing those systems and embedding anti-corruption into company culture, such as in setting a tone for this from the top.

The PRI is now evaluating the project, including assessing all engaged companies against a framework of quantitative and qualitative indicators. An outcomes document, which is due out in late 2015, will detail the engagement's impact.



EMISSIONS REDUCTION (CDP CARBON ACTION)

Starting in 2012, a group of 14 investors with US\$1.5 trillion in assets under management engaged with a selection of emissions-intensive companies that did not have an emissions reduction target in place. In 2014, three more companies set emissions reduction targets for the first time, bringing the total number to do so to 18 out of 51 companies engaged.

Also in 2014: five more companies demonstrated progress towards setting a target; two of three targets set were assessed by investors to be "high-quality" (time-bound, covering major sources of emissions and publicly disclosed); 13 companies acknowledged the need to set a target or demonstrated recognition of investors' concerns.

The PRI's support for the Carbon Action initiative, via the PRI-coordinated engagement, has now finished, but the programme itself continues through CDP (formerly Carbon Disclosure Project). It is backed by 254 investors and asks companies to reduce emissions.



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

PRI-COORDINATED ENGAGEMENTS STARTED DURING THE YEAR

WATER RISKS IN AGRICULTURAL SUPPLY CHAINS

Forty one investors representing US\$5.7 trillion are engaging 46 global, listed companies – in the food, retail, beverage and textile sectors – that are reliant on agricultural inputs from water-scarce regions to improve their management and disclosure of supply chain water risks.



DIRECTOR NOMINATIONS

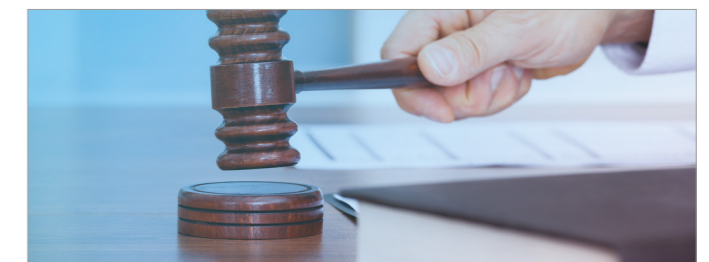
This engagement encourages companies to adopt a robust nominations process, based on clearly disclosed policies, and to improve the quality of their disclosure around nomination practices. The PRI and the investor group also developed a series of market overviews and case studies looking at the director nomination process in different regions.

The group of 18 investors has started engaging with several of the 24 target companies from the US and France. The group will assess the progress of each engaged company against an established framework, and communicate findings with signatories in late 2016.



CORPORATE CLIMATE LOBBYING

A group of 22 investors are engaging with companies in the US, Canada and Australia on their climate-related lobbying activities, in particular where the company's public position is inconsistent with the positions of trade associations it belongs to. The group has developed a set of investor expectations. It is partnering with Ceres and the Institutional Investors Group on Climate Change (IIGCC).



HUMAN RIGHTS IN THE EXTRACTIVE SECTOR

This recently opened engagement aims to improve mining and oil and gas companies' management of human rights risks, their implementation of the UN Guiding Principles on Business and Human Rights and their related disclosure.

At roundtable sessions in London and Toronto, investors and companies discussed best practices and challenges in implementing the UN Guiding Principles and helped to refine the questions that the engagement will ask. A guidance document comprising outcomes from the roundtables and research on companies' public disclosure on these issues supports the engagement.



CORPORATE TAX PROJECT

Responding to increased signatory interest in corporate tax responsibility, a group of ten European, North American and Asian investors is working with the PRI to develop an engagement guidance document on corporate tax responsibility. The document will contain case studies of engagement dialogue and examples of good company practice. It will provide the background and the key risks, enabling meaningful dialogue with companies on the issue.

PROVIDE OPPORTUNITIES FOR SIGNATORIES TO COLLABORATE

KEY CONTACT

Olivia Watson
Acting Head of Investor Engagements

olivia.watson@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Signatories can use the PRI Clearinghouse to share information, create their own initiatives and use webinar-hosting software and a confidential online workspace to collaborate with peers.

SIGNATORY-LED CLEARINGHOUSE INITIATIVES FROM THE PAST YEAR

CLINICAL TRIALS TRANSPARENCY



A group of 85 investors with US\$3.58 trillion in assets under management joined this initiative encouraging companies engaged in funding or conducting clinical trials to register and publish their results.

The results of Phase III trials strongly influence companies' valuations and stock prices, but roughly half the results from clinical trials are not published, with trials showing negative results being twice as likely to remain unreported than those with positive results. This lack of disclosure presents regulatory and reputational risks for companies, and hinders investors' ability to make informed decisions. The World Health Organization (WHO) has called for full disclosure.

UN GUIDING PRINCIPLES REPORTING FRAMEWORK



The UN Guiding Principles Reporting Framework aims to help companies meet evolving expectations for more and better public information about how they respect human rights. It can serve as a useful guide for

identifying human rights risks in companies, improving disclosure on human rights performance and engaging with companies on human rights issues.

The Reporting Framework was launched in February 2015. As of June 2015, 81 investors with US\$4.26 trillion in assets under management had signed the investor statement in support of the Framework.

INVESTOR LETTER TO US SEC ON CARBON ASSET RISKS TO OIL AND GAS COMPANIES



A letter signed by 61 global investors was sent to the US Securities and Exchange Commission (SEC) asking it to improve the quality of reporting to meet investor needs for better

disclosure by oil and gas companies of material carbon asset risks.

The letter makes the argument that carbon asset risks are material under SEC rules and most oil and gas companies provide poor or no disclosure in SEC filings. It discusses three companies' voluntary and SEC disclosure and asks the SEC to pay attention to carbon asset risk reporting and discuss it in comment letters to issuers.

UN GLOBAL COMPACT CALL TO ACTION CAMPAIGN



The PRI supported the UN Global Compact's Call to Action campaign, which is an appeal from business to governments to address corruption and foster systems of good governance.

It will be presented at international events and to UN Secretary-General Ban Ki-moon and all UN Ambassadors to reaffirm the private sector's commitment to collaborate on ending corruption.

PRI signatories representing US\$3.5 trillion are supporting the campaign.

CAMPAIGN ON THE FRENCH FLORANGE LAW



French investors launched an engagement campaign targeting CAC40 companies on the consequences of the Florange law, passed in April 2014. The law means investors that have held registered shares in a listed

French company for at least two years will automatically be granted double voting rights and removes the principle of board neutrality while a takeover offer is being considered. Companies can ask for shareholder support to amend their bylaws to opt out of either provision.

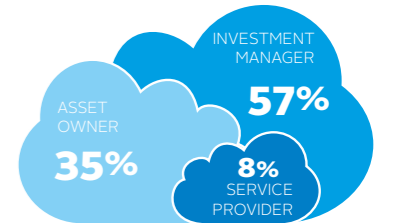
Of the 13 companies that do not already have double voting rights in their own rules, seven voted to opt out of the switch. On removing the principle of board neutrality during takeover periods, 17 companies voted to opt out of the law's change.

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

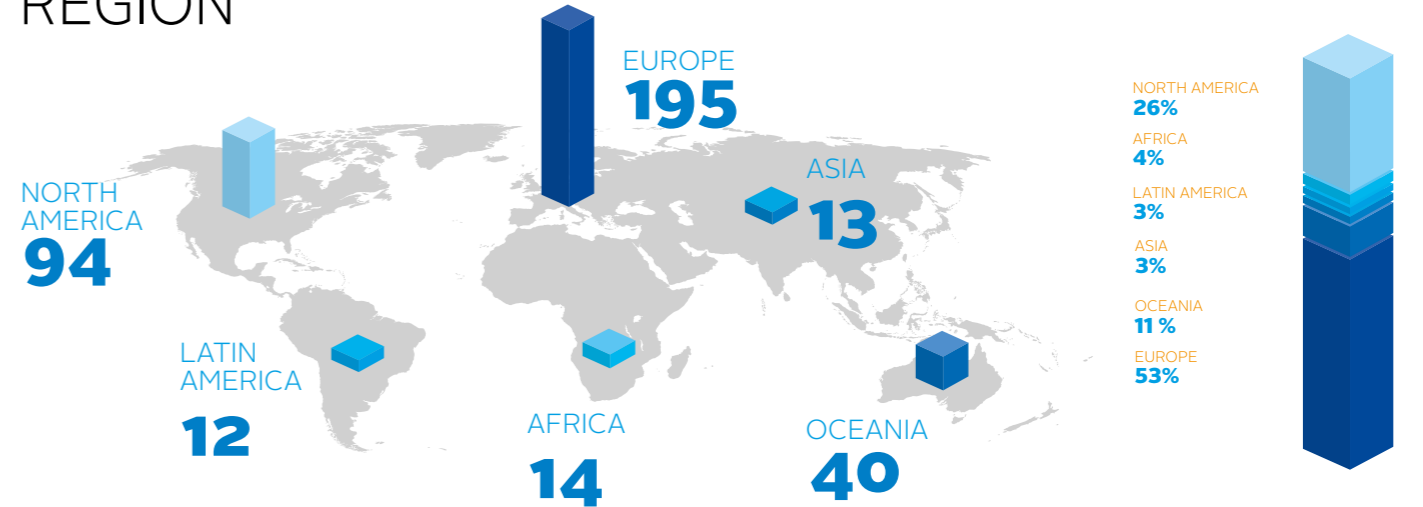
Signatory activity on the CLEARINGHOUSE

PARTICIPATION BY SIGNATORY CATEGORY

ASSET OWNERS	127
INVESTMENT MANAGERS	209
SERVICE PROVIDERS	32

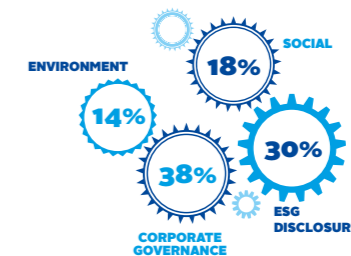


PARTICIPATION BY SIGNATORY REGION



COLLABORATIVE ENGAGEMENT ISSUES

SOCIAL	32
ENVIRONMENT	25
CORPORATE GOVERNANCE	67
ESG DISCLOSURE	54

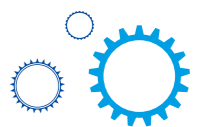


NUMBER OF NEW POSTS

2014 **66**
2015 **108**

TOP 20

MOST ACTIVE SIGNATORIES ON THE PRI'S CLEARINGHOUSE PLATFORM

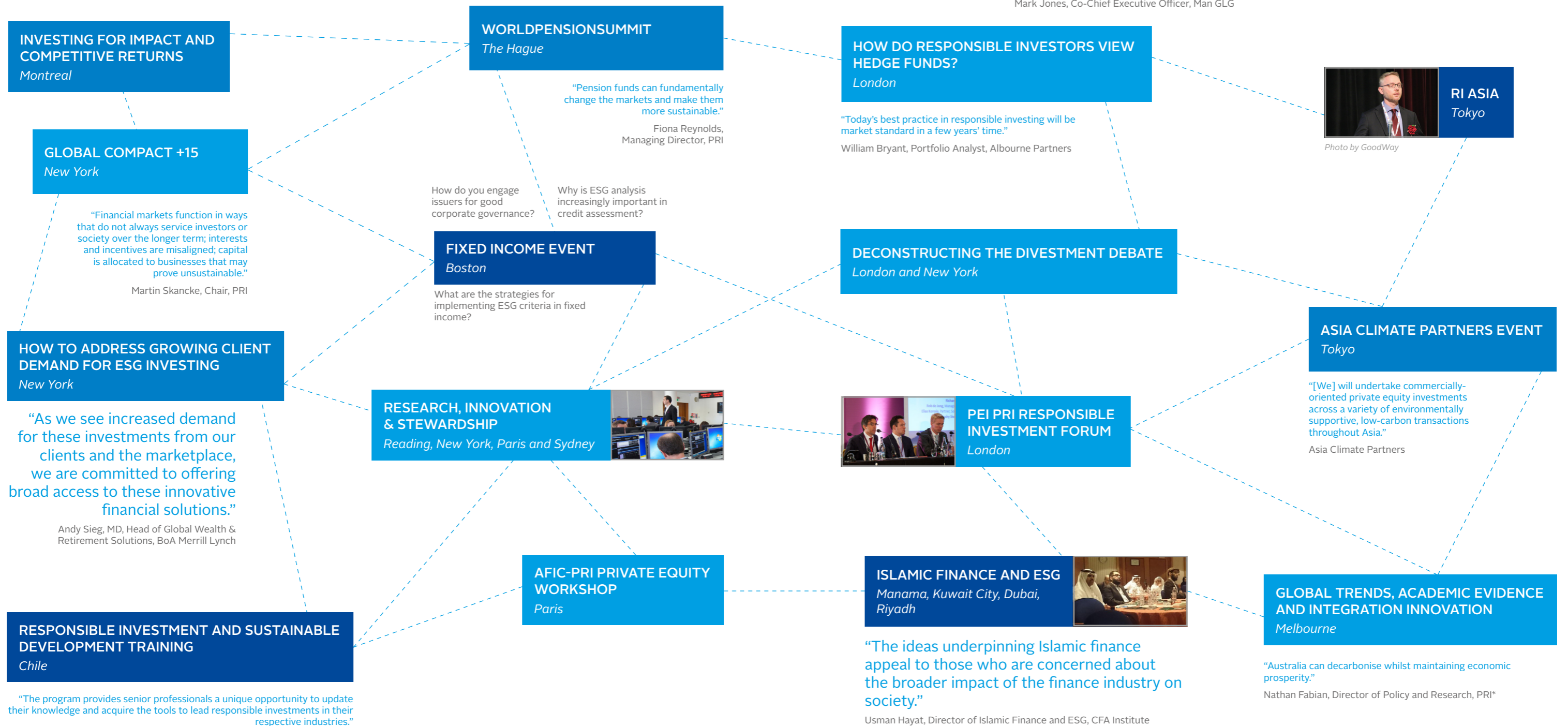


- ACTIAM
- Aviva Investors
- Bâtirente
- BNP Paribas Investment Partners
- Boston Common Asset Management
- Boston Trust & Investment Management Company
- Calvert Investments
- Candriam Investors Group
- Domini Social Investments
- F&C Asset Management
- Hermes Fund Managers Limited
- Miller Howard Investments
- Mirova
- MN
- NEI Investments
- Pax World
- PGM Investments
- Rathbone Brothers plc
- Trillium Asset Management
- Triodos Investment Management

PROVIDE OPPORTUNITIES FOR SIGNATORIES TO CONVENE

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI has hosted, co-hosted, given keynote addresses and moderated panels at dozens of events around the world.



* Formerly CEO, Investor Group on Climate Change

PROVIDE OPPORTUNITIES FOR SIGNATORIES TO CONVENE



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

PRI in Person is the only truly global conference on the responsible investment industry calendar, providing a platform for PRI signatories and investment professionals to learn, network and collaborate over several days.

PRI in Person allows attendees to discuss topical issues and share experiences from their own organisation and region with peers from around the world.

PRI IN PERSON 2014: MONTRÉAL

More than 600 attendees congregated in Montréal for PRI in Person 2014 to discuss their most pressing challenges in integrating environmental, social and governance criteria into investment decision-making.

The agenda covered topics including fossil fuel divestment, tax responsibility, green bonds, fracking, human rights in extractives and executive remuneration.



Since its inception PRI in Person has brought together:

200+
SESSIONS

500+
SPEAKERS

2,500+
ATTENDEES



"Responsible investing: it's a journey, not a destination."

Keith Johnson, Reinhart Boerner Van Deuren

"Societal expectations to view tax as a sustainability issue are growing."

Robert Wilson, MFS Global

"I'm tired of hearing about alpha and beta. Talk to me about investing in businesses, about management quality and sustainable company cash flow."

Keith Ambachtsheer, Rotman International Centre for Pension Management

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14



"One: I want you to help me to scrub the lobbying practices against an ambitious climate strategy.

Two: You as investors have access to ministries of finance in your countries, so run this issue up the flagpole.

Three: Sign the Montréal Carbon Pledge*."

Christiana Figueres, United Nations Framework Convention on Climate Change (UNFCCC), made three requests of delegates attending PRI in Person.

PRI Montréal PLEDGE

The Montréal Carbon Pledge was launched on 25 September 2014 at PRI in Person in Montréal.

MORE THAN 50 INVESTORS PLEDGED TO MEASURE AND PUBLICLY DISCLOSE THE CARBON FOOTPRINT OF THEIR INVESTMENT PORTFOLIOS.*

www.montrealpledge.org

*At 30 June 2015, 58 investors had signed.

ENGAGE WITH KEY DECISION-MAKERS

KEY CONTACT

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Head of Policy

will.martindale@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI engages signatories, policy makers and regulators to identify and tackle regulatory barriers to responsible investment.

POLICY CONSULTATIONS

Using the Reporting Framework as an evidence base, the PRI has reacted quickly to policy consultations, leading to well-received submissions to:

- revision of the EU's [Shareholder Rights Directive](#)
- the [Japanese Corporate Governance Code](#)
- Hong Kong's [Principles of Responsible Ownership](#)
- the UK's [Changes to the Investment Regulations](#)

CLIMATE CHANGE

The PRI, along with the four global climate bodies*, coordinated an open letter to G7 finance ministers urging them to support a long-term emissions reduction goal in the international climate agreement due to be sealed at COP21 in December. The letter was signed by 120 investor CEOs from around the world managing funds worth more than US\$12 trillion.

At Climate Finance Day in Paris on 22 May, PRI Chair Martin Skancke met French President François Hollande and French Finance Minister Michel Sapin to explain the work of the PRI and the role of investors in tackling climate change.

THE CASE FOR INVESTOR ENGAGEMENT IN PUBLIC POLICY

[The case for investor engagement in public policy](#) analyses why and how investors should engage with policy makers to build a sustainable financial system.

Based on interviews with an international group of investors and policy makers, it offers practical, effective recommendations, proposing a five-step approach to better integrate investor perspectives on ESG factors in the policy-making process.

LONG-TERM MANDATES

The PRI has been building on the discussion paper released in July 2014 to produce a series of asset owner case studies

on long-term guidance. For more on this and other examples of the PRI's work to *Increase the representation and participation of asset owners*, see pages 30-31.

FIDUCIARY DUTY IN THE 21ST CENTURY

The PRI's fiduciary duty project set out to understand why investors are not systematically integrating ESG as part of their fiduciary duty.

The original Freshfields report on the subject in 2005 concluded that "integrating ESG considerations into an investment analysis so as to more reliably predict financial performance is clearly permissible and is arguably required in all jurisdictions".

Ten years on, *Fiduciary Duty in the 21st Century*, a result of nine months of events, interviews, case studies and a legal review, finds that ESG integration is required – supporting a trend shown across investment practice and by public policy changes. Many countries have introduced regulation and codes requiring investors to integrate ESG issues, to engage companies, and to report on their investment approach.

The report proposes a series of practical actions for investors, intermediaries – including investment advisers, brokers and ratings agencies – and policy makers to address barriers including:

- outdated perceptions about fiduciary duty;
- a lack of clarity within prevailing definitions of fiduciary duty;
- weaknesses in the responsible investment evidence base;
- weaknesses in asset owner implementation and corporate reporting;
- weaknesses in the implementation and oversight of regulation and codes.

The report is written in conjunction with UNEP FI, UNEP Inquiry and UN Global Compact, and its launch at PRI in Person in September 2015 will be followed by a series of launch events in each of the eight countries featured in the report: Canada, US, Brazil, UK, Germany, South Africa, Japan and Australia.

BRIDGE ACADEMIC-INVESTOR GAPS

KEY CONTACT

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Head of Academic Research

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IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI Academic Network brings together more than 2,000 investors and academics.

RI QUARTERLY

RI Quarterly extracts key findings from academic research on responsible investment in a clear and concise manner for investment professionals. Each issue comprises a number of papers around a theme, selected by the PRI's Academic Network Steering Committee.

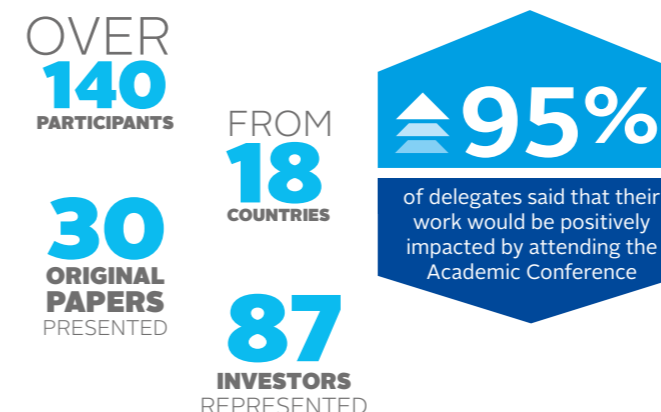
Recent issues include:

- [Unleashing performance through reporting and disclosure](#), including articles on how CO2 disclosure cuts the cost of debt and a valuation experiment with private equity investors.
- [The PRI Impact](#), discussing the history, challenges and future direction of the PRI itself.

ACADEMIC NETWORK CONFERENCE

In 2014 the Academic Network Conference was for the first time back-to-back with PRI in Person in Montreal, bringing investors into the research discussions and giving academics deeper insight into the needs of practitioners.

Keynote sessions covered: short-termism, the benefits of integrated reporting and CSR ratings.



In 2015, the Academic Network Conference in London will be fully integrated into PRI in Person, with an additional academic workshop at the London School of Economics (LSE) highlighting innovative academic papers.

SUSTAINALYTICS PRIZES FOR EXCELLENCE IN RESPONSIBLE INVESTMENT RESEARCH

The themes for the 2014 call for papers were: ESG integration; shareholder engagement; short-termism and structural market failure; social finance; transparency and reporting.

The winning papers were:

- BEST PAPER:** *Why talk? A process model of dialogue in shareholder engagement* by Fabrizio Ferraro (IESE Business School) and Daniel Beunza (London School of Economics)
- HONOURABLE MENTION:** *Exploration of the cross-sectional return distributions of socially responsible funds* by Jianan Du, Brandon Thomas and Janis Zvingelis (Envestnet Asset Management)
- HONOURABLE MENTION:** *Risk attenuation and the reporting of corporate social (health and safety) performance to investors* by Sharron O'Neill (Macquarie University), Jack Flanagan and Kevin Clarke (University of New South Wales)
- STUDENT PRIZE (JOINT WINNER):** *Directors' duties in the Anthropocene: liability for corporate harm due to inaction on climate change* by Sarah Barker (University of Melbourne)
- STUDENT PRIZE (JOINT WINNER):** *Why do socially responsible firms pay more dividends?* by Mohammed Benlemlih (Grenoble University)

FIR-PRI EUROPEAN RESEARCH AWARDS

The FIR-PRI Awards in finance and sustainability are a joint initiative with Forum pour l'Investissement Responsable (FIR). The winning papers in 2014 examined topics such as rewarding long-term investors, moral values in finance and energy investment.

*Institutional Investors Group on Climate Change (IIGCC) in Europe, Ceres' Investor Network on Climate Risk (INCR) in North America, Investor Group on Climate Change (IGCC) in Australia/New Zealand and ASRIA's Asia Investor Group on Climate Change (AIGCC).

EDUCATE SIGNATORIES AND STAKEHOLDERS

KEY CONTACT

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Head of Online Learning
terry.thornton@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI Academy provides CFA-accredited online training on how ESG issues impact company performance, shareholder value and investment decisions.

The PRI acquired the RI Academy from Responsible Investment Association Australasia in October 2014, and since then has:

- meticulously reviewed all course content to update and improve it;
- fully aligned course content with the PRI's beliefs and policies;
- added more PRI materials throughout;
- created consistent, easy to follow terminology.

The new courses will be available later in 2015.

COURSES

Courses feature content from international experts, real and hypothetical case studies and financial modelling. Every course is delivered entirely online.

RI FUNDAMENTALS

Responsible Investment Fundamentals is a two-three hour training course designed for business professionals who want an insight into responsible investment. The course delivers the business case for investing responsibly and introduces new ideas to traditional investment approaches.

RI ESSENTIALS

Responsible Investment Essentials is a 12-14 hour course focusing on identifying and implementing ESG factors into investment decision-making. The course uses case studies to illustrate the materiality of ESG issues in business, introduces strategies for identifying and managing new approaches to ESG risk, and demonstrates methods for integrating sustainability data into financial modelling.

ENHANCED FINANCIAL ANALYSIS

Enhanced Financial Analysis is a six-eight hour advanced course. The course examines the use of sustainability data in fundamental investment analysis and stock valuation, identifying critical ESG issues relevant to sustainability performance, key value drivers, and overall financial outcomes.



The training is completely web-based, which means you can start and finish when and where you please: no travel, no pressure, lower greenhouse gas emissions.

Each PRI Academy course comes with a one-year licence. The Academy support team structure learning programmes, monitor progress and assess via the online learning platform.

Academy courses do not require any existing skills or knowledge, though candidates considering the Enhanced Financial Analysis course will get the most out of it if they have experience of financial analysis and responsible investment.

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Entirely web-based
Self-paced and flexible learning
Specialist content by global ESG experts

PRI ACADEMY

RI FUNDAMENTALS
RI ESSENTIALS
ENHANCED FINANCIAL ANALYSIS

www.priacademy.org



“The PRI Academy is a particularly well put together course, and it is helping us better understand how we can integrate ESG issues into our investment frameworks.”

Sovereign, New Zealand

“The PRI Academy is the gold standard and unique in the marketplace.”

Colonial First State Global Asset Management, Australia

HOW TO ENROL

- To enrol please visit our website at www.priacademy.org
- For group enrolments please email us at priacademy@unpri.org

ENHANCE SIGNATORY ACCOUNTABILITY MECHANISMS

KEY CONTACT

Elina Rolfe
Senior Manager, Reporting and Assessment

elina.rolfe@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI Reporting Framework ensures accountability of the PRI and its signatories.

SIGNATORIES ARE REQUIRED TO REPORT THEIR ESG IMPLEMENTATION BY ASSET CLASS THROUGH THE PRI REPORTING FRAMEWORK. THIS INCLUDES AN ELEMENT OF PUBLIC DISCLOSURE AND AN ASSESSMENT PROCESS FOR SIGNATORIES TO LEARN AND DEVELOP YEAR-ON-YEAR.

ASSESSMENT REPORTS

WILL BE AVAILABLE FOR SIGNATORIES TO USE AS THEY WISH



wish: share to demonstrate performance against peers or keep in-house as an internal learning and development tool.

FRAMEWORK IMPROVEMENTS

The PRI is constantly working to develop the Reporting Framework into a more effective tool for recording signatories' responsible investment activity.

Changes for the latest cycle involve:

- Making the Reporting Framework easier to use: pre-filled responses based on signatories' entries in the previous cycle saved signatories time; improved explanatory notes and definitions have made it clearer how to get the most out of the tool.
- Capturing a broader range of outputs: such as revamping modules covering fixed income and organisational overviews.

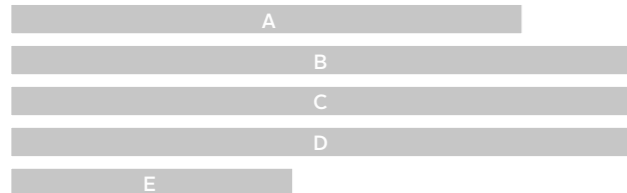


In the latest reporting cycle, 936 signatories reported on their progress in implementing the Principles. With reporting numbers high – in each of the last two years, fewer than five signatories have been delisted for failing to report – the PRI has been turning its attention towards better differentiating between the most active and least active signatories.

Key to this will be a new band highlighting signatories scoring above 95% in each module. Another change will see signatories that do not implement responsible investment in an asset class separated out from those who are active but at an early stage.

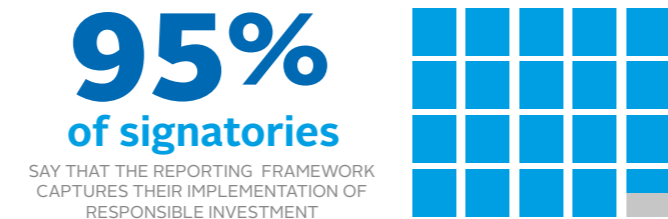
NEW BAND

A+ 95-100%



ASSESSMENT REPORTS

Assessment Reports were released for the first time in September 2014, at the end of year one of a two-year pilot phase. They were strictly confidential: the PRI did not publish them and signatories were not permitted to publish their own. In year two of the pilot the PRI will make Assessment Reports available for signatories to use as they



Signatories are positive about the Reporting Framework: 95% say that it captures their implementation of responsible investment to a large (62%) or moderate (33%) extent.

REPORT ON PROGRESS

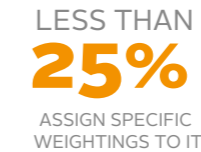
Following a two-and-a-half-year redevelopment of the Reporting Framework, in September 2014 the PRI released its first Report on Progress since 2011.

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Key findings were:

Many asset owners are not following through

Nearly 80% of asset owners ask investment managers about ESG approaches in requests for proposals, but only half discuss the minimum they expect managers to do, less than a third include requirements on how ESG issues should affect investment decisions in contracts and under a quarter assign weightings to ESG when evaluating managers' performance.



are not much higher for other C-suite staff, portfolio managers or investment analysts. Even for dedicated responsible investment staff, under a third receive ESG-related variations in pay, and less than two-thirds have ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay.

The 2015 Report on Progress will be available September 2015.

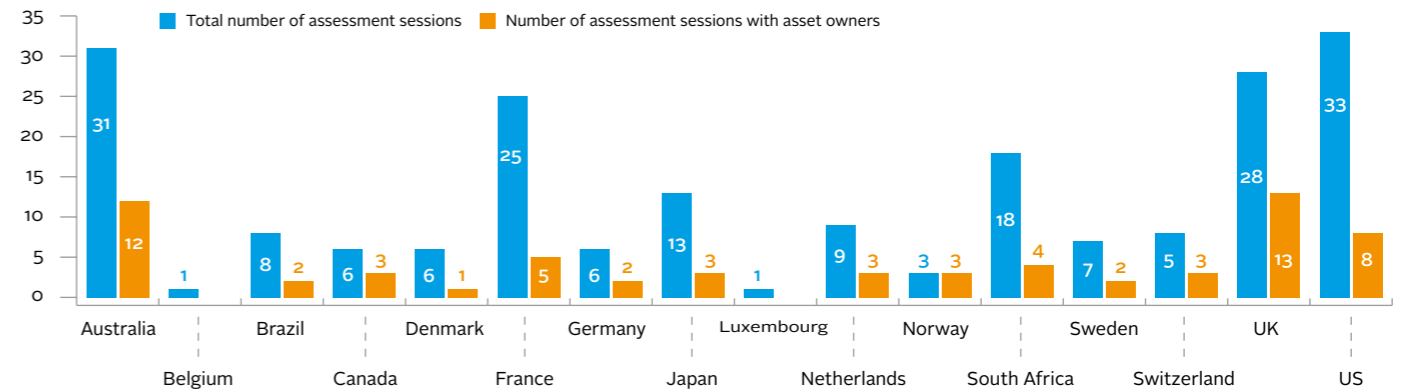
ASSESSMENT SESSIONS

A new part of the reporting process in the last cycle was the Assessment Sessions programme. The sessions involved one-to-one conversations between PRI staff and reporting signatories across the world to collect feedback on the reporting tool and answer questions about how scoring and specific indicators work. The sessions are designed to help signatories to improve assessment performance through better responsible investment policies and processes.

Most signatories aren't incentivising the C-suite

Less than 10% of signatories vary CEO/CIO/Investment Committee pay based on ESG performance, and less than half include ESG issues in any kind of personal development or training, key performance indicators, appraisals or pay. Incentivisation is low throughout organisations: the figures

Sessions with 200 signatories, split across 16 countries, covered 25% of reporting signatories. A third of sessions were with asset owners. (For more on the PRI's work to *Increase the representation and participation of asset owners*, see pages 30-31).



DEVELOPMENT SESSIONS

The PRI is enhancing the assessment programme to build the Assessment Sessions, which are focused on the functionality of the Reporting Framework, into Development Sessions. The primary aim of Development Sessions will be to engage signatories in meaningful discussions, based on findings from the Reporting Framework, about how they can best use PRI resources to improve their responsible investment performance.

The Transparency Report is a public record of each signatories' reporting. More than 120,000 copies have been downloaded from the PRI website.

STRENGTHEN THE PRI VOICE AND BRAND

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

In the last year, quotes from PRI spokespeople have appeared in more than 100 articles across prominent mainstream and trade publications, as well as broadcast media. The PRI has featured in more than a dozen articles in the FT alone, including two opinion columns, and is making significant new connections with US media such as the Wall Street Journal and Barron's.



Responsible investment: Vice versus nice

[READ THE ARTICLE](#)



ESG investment: A Japanese carrot and a stick

[READ THE ARTICLE](#)



Divestment from fossil fuels won't magically stop climate change

[READ THE ARTICLE](#)



Investors tackle the impact of water scarcity on their portfolios

[READ THE ARTICLE](#)



Taking the PRI to the next level

[READ THE ARTICLE](#)



The double-edged sword of multinational tax avoidance

[READ THE ARTICLE](#)



Investors seek transparency on corporate taxation

[READ THE ARTICLE](#)



Climat : la finance décrète la mobilisation générale

Investors mobilise around climate finance

[READ THE ARTICLE](#)

KEY CONTACT

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Head of Public Relations

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IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14



Can the divestment movement tame climate change?

[READ THE ARTICLE](#)



When they speak out, investors can change the world

[READ THE ARTICLE](#)



PRI chairman suggests closer engagement ties with UN Global Compact

[READ THE ARTICLE](#)



Environment: The big theme for Davos 2015?

[WATCH THE VIDEO](#)



Principles to keep the earth, your portfolio clean

[WATCH THE VIDEO](#)



To save the planet, buy oil and gas

[READ THE ARTICLE](#)



Ansvarlige investorer skal stille krav til olieselskaber

Responsible investors must demand more from oil companies



Hedge funds warm to responsible investment principles

[READ THE ARTICLE](#)



STRENGTHEN CAPACITY AND EXPERTISE IN KEY REGIONS

KEY CONTACT

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Director, Networks and Global Outreach

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IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

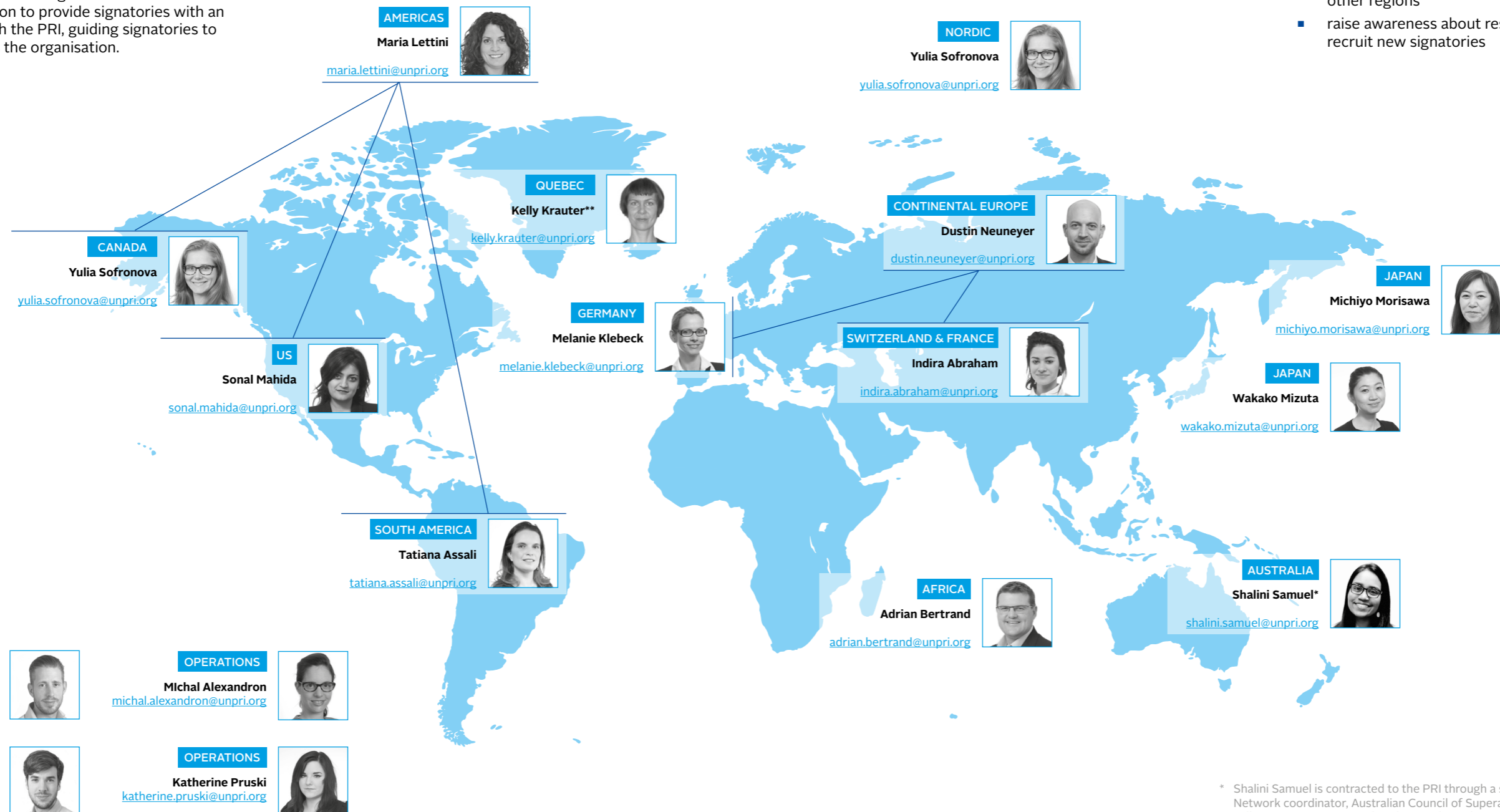
IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI Networks are geographic groups of signatories working together on responsible investment in their region.

Signatories can connect with Networks anywhere in the world to benefit from local expertise when addressing responsible investment challenges that are specific to a particular market. The PRI assigns dedicated Network Managers to each region to provide signatories with an active relationship with the PRI, guiding signatories to resources from across the organisation.

The signatory Networks and the PRI's Network Managers work together to:

- tailor PRI resources to local markets
- coordinate engagements with local companies
- organise regional events
- address local regulatory issues
- encourage signatories to get involved in PRI activities in other regions
- raise awareness about responsible investment and recruit new signatories



* Shalini Samuel is contracted to the PRI through a strategic partnership with the Australia Network coordinator, Australian Council of Superannuation Investors (ACSI).
** Kelly Krauter is contracted to the PRI through Quebec Network member Bâtirente.

INCREASE THE REPRESENTATION AND PARTICIPATION OF ASSET OWNERS

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Asset owners have always been at the heart of the PRI's mission: they play a unique role in driving responsible investment.

CLIMATE CHANGE PROJECT

The PRI launched its Asset Owner Climate Change Strategy Project in response to asset owner interest in understanding whether and how to set an emissions reduction goal. A growing number of asset owners want to know how their assets are exposed to climate change risks, and the role that they can play in an orderly transition to a lower carbon economy.

Phase 1 is a [discussion paper](#) that lays out:

- a strong case for asset owner action on climate change;
- why a portfolio carbon footprint is a useful tool for asset owners;
- the key factors for asset owners to consider when reducing emissions.
- Phase 2 of the project, due out in time for COP21 in December, will provide a pilot framework for reducing emissions and case studies detailing investor action.

LONG-TERM MANDATES

The PRI has been building on the discussion paper on long-term mandates released in July 2014 to produce a series of asset owner case studies on long-term guidance.

Challenges to long-term investing are numerous: the simple human tendency towards the short term, investment manager pay incentives, fee incentives throughout the investment chain (e.g. stock exchanges, investment consultants, brokers), quarterly corporate reporting, short-term data, lack of investor engagement in public policy and disengaged beneficiaries to name just some.

The case studies will look to address some of these issues, covering topics such as: the case for long-term investment, investment beliefs, corporate engagement and turnover, remuneration, risk management and mandate design.

CLEARINGHOUSE ACTIVITY

The PRI has been working to build asset owners' awareness of how engaging collaboratively with other investors can benefit them. Between 1 July 2014 and 30 June 2015, 127 asset owners were active on the Clearinghouse, up from 96

in the same period the year before. This includes 64 asset owners participating in PRI-coordinated engagements.

BUILDING ACCOUNTABILITY

The 2014 Report on Progress found that while nearly 80% of asset owners ask managers about their approach to ESG, under a quarter then specifically include ESG when evaluating the managers' performance. Only about 5% link ESG performance to CEO/CIO/Investment Committee pay and under 20% link ESG performance to pay even for their dedicated responsible investment staff.

The PRI held more than 60 one-to-one assessment sessions with asset owners during the most recent reporting cycle to help them to improve assessment performance through better responsible investment policies and processes.

The Reporting Framework is being tailored to better capture areas of particular concern to asset owners, such as selecting, appointing and monitoring managers. Helping asset owners to better differentiate between managers that are doing a little and those doing a lot is a core component of our accountability work. For more on the PRI's work to *Enhance signatory accountability mechanisms*, see pages 24-25.

DEDICATED GUIDANCE

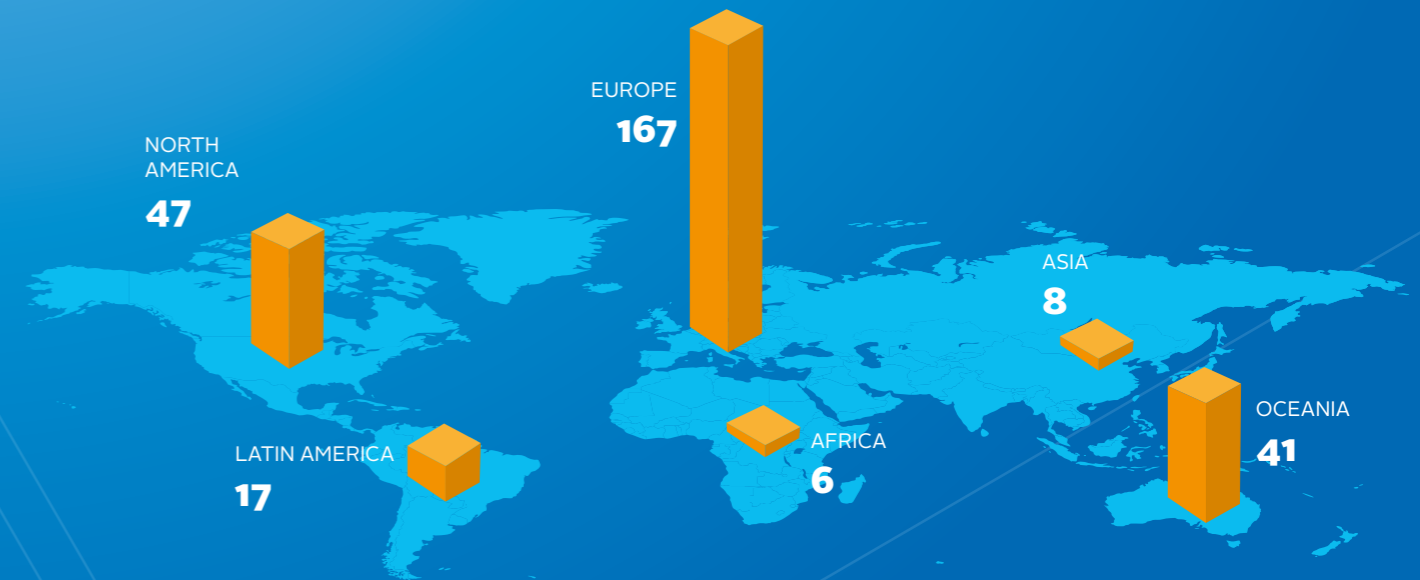
A new work stream dedicated to producing asset owner insight will cover portfolio-level ESG considerations including coverage of selecting/appointing/monitoring managers and passive investment.

TAILORED MATERIALS

Where publications cut across owners and managers, we have highlighted considerations specific to asset owners such as defining expectations of managers and adjusting requests for proposals.



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14



Between 1 July 2014 and 30 June 2015, 24 new asset owners signed up to the Principles, representing an additional US\$634 billion in assets under management.

This brings the total number of asset owner signatories to 286, with assets under management of US\$15.5 trillion.

The asset owner signatories that have joined the PRI since 1 July 2014 are:

- MS&AD Insurance Group Holdings (Japan)
- University of California (US)
- Public Sector Pension Investment Board (Canada)
- Skandia Liv Kapitalförvaltning (Sweden)
- Nordea Life & Pensions (Sweden)
- QBE Insurance Group (Australia)
- Barmenia Versicherungen (Germany)
- Lancashire County Pension Fund (UK)
- Colleges of Applied Arts & Technology Pension Plan (Canada)
- St. Bedrijfspensioenfondsvoor de Koopvaardij (Netherlands)
- Guardian Media Group (UK)
- Sun Life Assurance Company of Canada (Canada)
- Pegaso - Fondo pensione complementare (Italy)
- Paul Hamlyn Foundation (UK)
- Canadian Union of Public Employees Employees' Pension Plan (Canada)

- Simon Fraser University (Canada)
- Stichting Total Pensioenfondsvoor Nederland (Netherlands)
- University of Victoria (Canada)
- Salvepar (France)
- Comic Relief (UK)
- Teachers' Retirement System of the City of New York
- The United Church of Canada (Canada)
- Treehouse Investments (Puerto Rico)
- University of St. Andrews (UK)

COLLABORATE WITH KEY STAKEHOLDERS

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI developed a database of 180 organisations operating in finance, sustainability and responsible investment to identify key stakeholders that it should be formally collaborating with.

The purpose of establishing these relationships is to align strategies and activities and to produce meaningful outputs such as co-hosted events, co-authored publications and working groups.

Examples of this work so far include:

- Working with the International Integrated Reporting Council (IIRC) on the RI Quarterly issue Unleashing performance through reporting and disclosure.

“The work of the PRI in building the bridge from reporting to investment decisions, and mobilising investors towards long-term value creation, is a vital component in creating the conditions for successful corporate reporting reform.”

Neil Stevenson, Managing Director, Global Implementation International Integrated Reporting Council Foreword, RI Quarterly vol. 7

- Working with CDP (formerly the Carbon Disclosure Project) on the CDP Carbon Action project. This initiative, backed by 254 investors representing US\$19 trillion of assets, asks companies to reduce emissions. The PRI coordinated the investor engagement for the project.

“As part of a collaborative engagement coordinated by the PRI via the Clearinghouse platform, a group of 14 investors with US\$1.5 trillion in assets under management have engaged with selected emissions-intensive companies that do not have an emissions reduction target in place.”

CDP Carbon Action report 2014

- Working with CERES and the Institutional Investors Group on Climate Change (IIGCC) on the Corporate climate lobbying engagement. For more detail on this and the PRI's other engagement work to *Provide opportunities for signatories to collaborate*, see pages 12-13.
- Building a relationship with CFA Institute including through co-hosting events such as the Islamic Finance and ESG seminar series in Bahrain, Kuwait, UAE and Saudi Arabia, and Alpha from Sustainability events in Amsterdam and Vancouver. CFA Institute's Future of Finance initiative aims to shape a trustworthy, forward-thinking financial industry that better serves society.

DEEPEN AND STRENGTHEN OUR RELATIONSHIP WITH UN PARTNERS

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The PRI is an investor initiative in partnership with the UNEP Finance Initiative (UNEP FI) and the UN Global Compact.

The PRI is working jointly with its UN partners on a number of projects, including, but not limited to, five key programmes:

- Fiduciary Duty in the 21st Century (see page 20)
- Long-Term Mandates (see page 30)
- Sustainable Stock Exchanges
- Caring for Climate
- Sustainable Development Goals

SUSTAINABLE STOCK EXCHANGES

The Sustainable Stock Exchanges (SSE) initiative is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators and companies can:

- enhance corporate transparency, and ultimately performance, on ESG issues;
- encourage sustainable investment.

Since July 2014, the initiative has been joined by:

- Korea Exchange
- Bucharest Stock Exchange
- Nairobi Securities Exchange
- Bolsa de Comercio de Santiago
- Deutsche Börse
- The Stock Exchange of Thailand
- Bolsa Mexicana de Valores
- Bolsa de Valores de Colombia

The initiative is coordinated by UNCTAD, the UN Global Compact, UNEP FI and the PRI.

CARING FOR CLIMATE

The Caring for Climate initiative is aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes.

The initiative is coordinated by the UN Global Compact, the UN Environment Programme, the UN Framework Convention on Climate Change and the PRI.

SUSTAINABLE DEVELOPMENT GOALS

In a key year for the Sustainable Development Goals – the UN's post-2015 successors to the Millennium Development Goals – the PRI has been highlighting the role that institutional investors can play in financing solutions to global challenges such as climate change, social injustice, poverty and inequality.

In July 2014 the PRI attended a 150-person meeting with the UN Global Compact Board, the Principles for Responsible Management Education Champions Group, 30 ambassadors and UN Secretary-General Ban Ki-moon in New York to discuss the historic opportunity business has to shape and advance the post-2015 development agenda.

Working alongside the UN Global Compact, UNEP FI and UNCTAD, the PRI targeted policy makers with the report [Private sector investment and sustainable development](#), and submitted it to the co-chairs of the Financing for Development process.

The PRI has also submitted a [response](#) to a consultation on Financing for Development by the UN Sustainable Development Solutions Network.

ENHANCE COMMUNICATION THROUGH PRI INFRASTRUCTURE

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Find the publications, engagements and events that matter to you.

The brand new PRI website will combine our public website and our signatory-only portal into a single offering. A comprehensive Explore page will allow you to search and filter through all the PRI's content, including publications,

collaborative engagements and events, in one place. New personalisation features based on your interests will tailor the homepage and e-newsletters to the asset classes, regions and topics that are important to you.

Explore, collaborate and report, all on one site.

Build your personal profile.

Keep up-to-date with activity in your local Network.

See the latest resources, collaborations and events that match your personalised interests, right on the homepage.

Search by keyword and filter by category such as asset class, region and resource type to find the content that you need.

ATTRACT AND DEVELOP HUMAN CAPITAL

KEY CONTACT

Craig Fergusson
Associate Director, Human Resources

craig.fergusson@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Our people matter.

EQUALITY, DIVERSITY AND INCLUSION

The PRI aims to be a genuinely inclusive organisation. Our objective is to integrate equal treatment and promotion of diversity into all aspects of the PRI's day-to-day life.

The PRI commits to:

- ensuring that all individuals who come into contact with the PRI, whether as employees, contractors, consultants, signatories or in other capacities, are treated with dignity and respect;
- ensuring that the opportunities the PRI provides for learning, personal development and employment are made available on a non-discriminatory basis;
- providing a safe, supportive and welcoming environment for colleagues and visitors alike.

The PRI also spends money on external training courses (about £550 per head between July 2014 and June 2015), but as a signatory-funded organisation, learning and development opportunities that incur a cost are kept to a minimum.

PAY AND BENEFITS

The PRI benchmarks salaries and benefits against comparable organisations to ensure fairness to employees and signatories alike. We are proud to be an accredited Living Wage Employer: we ensure that all staff, including contracted service staff and interns are paid above the London Living Wage. We never use unpaid internships. Benefits are tailored to be consistent with our beliefs: for example, to encourage environmentally sustainable transport among staff, car and mileage allowances are not provided but the UK Government's cycle-to-work scheme is.

LEARNING AND DEVELOPMENT

The PRI aims to develop staff through:

- secondment opportunities with signatories;
- vocational learning;
- internal knowledge-sharing programmes;
- external expertise.

All new parents at the PRI are able to enjoy equal parental leave benefits regardless of gender or sexuality: our policy goes beyond even the minimum standards required by the UK's recently introduced Shared Parental Leave legislation. The PRI is evaluating the fairest way in which to extend a similar value benefits package to our international employees. We already cover paid annual leave, bank holidays and sick pay and cover statutory benefits in countries where we have staff and contractors.

EXECUTIVE TEAM



MANAGING DIRECTOR
Fiona Reynolds



DIRECTOR
Mark Blair
Operations and Finance



DIRECTOR
Lorenzo Saa
Networks and Global Outreach



DIRECTOR
Nathan Fabian
Policy and Research



ASSOCIATE DIRECTOR
Matthew McAdam
Communications



ASSOCIATE DIRECTOR
Craig Fergusson
Human Resources



ASSOCIATE DIRECTOR
Maria Lettini
Networks and Global Outreach



ASSOCIATE DIRECTOR
Christopher Sperling
Corporate Office



ASSOCIATE DIRECTOR
Sagarika Chaterjee
Policy and Research

DELIVER AND SUPPORT AN EFFECTIVE GOVERNANCE STRUCTURE

KEY CONTACT

Christopher Sperling
Associate Director, Corporate Office
christopher.sperling@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

We encourage signatories to actively participate in all areas of PRI governance, and there are regular opportunities for all categories of signatory to do so.

As of 1 April 2015, the PRI Association is governed by the PRI Association Board (the Board), as set out in the Articles of Association of PRI Association.

The PRI Board is collectively responsible for the long-term success of the PRI and in particular for:

- 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 and being responsible to relevant stakeholders.

PRI GOVERNANCE REVIEW (SEPTEMBER 2013 – APRIL 2015)

The establishment of the Board follows a **comprehensive, independent governance review** and **extensive signatory consultation**, paving the way for a **simpler, more transparent and accountable** governance structure.

Sep-Dec 2013	Announcement	The PRI announced at the 2013 Signatory General Meeting (SGM) in Cape Town that it would carry out a formal review of its governance structure and processes. The draft scope for consultation was released to signatories for comment by the end of February 2014.
Jul-Aug 2014	Signatory Consultation	The PRI consulted signatories on the independent reviewer's ten initial recommendations , which were accompanied by a cover note from the Advisory Council Chair. The independent reviewer updated its ten recommendations following the feedback from signatories.
Sep 2014	Proposal	The PRI outlined the proposed changes at the 2014 SGM in Montreal.
Jan 2015	Signatory Vote	Prior to opening voting on the changes, the PRI invited all signatories to review the revised Articles and the accompanying cover note from the Advisory Council Chair, providing a key to the changes. 97.6% of asset owner and 96% of non-asset owner voters approved the revised Articles.
Apr 2015	Consultation on Rules, Policies, Terms	The PRI sought signatory feedback on the Rules, Policies and Terms of Reference that enshrine the procedures and practicalities required to give effect to each Article. Following the consultation, the Board approved the Rules, Policies and Terms of Reference in June 2015.

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

RULES, POLICIES AND TERMS OF REFERENCE

These documents, referred to in the Articles, enshrine the procedures and practicalities required to give effect to each Article in more detail.

The Board approved the following Rules, Policies and Terms of Reference in June 2015, following signatory consultation:

- [Signatory Rules](#)
- [Election Rules](#)
- [Procurement Policy](#)
- [Code of Ethics](#)
- [Diversity Policy](#)
- [Signatory General Meeting Rules](#)
- [Directors' Terms of Reference](#)
- [Chair's Terms of Reference](#)
- [Managing Director's Terms of Reference](#)

SIGNATORY RIGHTS

Signatory rights and the delegation of authority from signatories to the Board attracted significant feedback during the governance review consultation. There are several new mechanisms to encourage structured dialogue between signatories and the Board at regular intervals, to ensure that the Board remains accountable to signatories and that decision-making remains transparent.

The annual Signatory General Meeting, usually held to coincide with PRI in Person, is an important forum for dialogue between the PRI Board, signatories and the Executive. The Board has the responsibility to report annually to signatories on the progress in implementing the three-year strategic plan and the SGM is an opportunity to present in person the progress of the PRI as well as the decisions that the Board and its committees have made over the preceding year.

SIGNATORIES HAVE THE RIGHT TO:

- **approve amendments to the Articles and Principles**
The Articles may only be amended by a simple majority vote, including a simple majority of asset owner voters. Amending the Principles also requires written approval of the PRI's two UN partners.

- **nominate candidates for, and vote in, Board elections**
Signatories can put forward eligible candidates for Annual, Mid-term or Extraordinary Elections. Asset owners, investment managers and service providers vote for candidates in their respective categories.
- **confirm the appointment of the Chair**
The Directors nominate the independent Chair, but the appointment and term must be confirmed by a simple majority vote, including a simple majority of asset owner voters.
- **receive the annual accounts**
At each SGM the PRI must present to signatories the latest annual accounts, any required accompanying reports and the auditor's report.
- **confirm the appointment of the auditor**
When the PRI is required by the UK Companies Act to appoint an auditor, the PRI must seek signatories' prior approval.
- **approve the minutes of an SGM**
The proceedings of each SGM are minuted. Signatories will be asked to approve the minutes by a simple majority vote.
- **Formal Consultation**
The PRI will hold a Formal Consultation with signatories before adopting a three-year strategic plan or making any material changes to the governance structure, Objects, Mission, Principles or fee structure. The PRI must publish a Formal Consultation document and allow at least four weeks for consultation. The Board must publish a document setting out the Directors' proposals and decisions in light of the Formal Consultation.
- **call for an Extraordinary Election**
Signatories can have the PRI arrange an election for all ten elected Board positions. If at least 3% of all signatories write to the PRI requesting an Extraordinary Election, the Directors must arrange an electronic poll of all signatories on whether an Extraordinary Election should take place. The election will go ahead if approved by a simple majority vote, including a simple majority of asset owner voters.
- **propose a non-binding resolution**
The PRI must put to the vote any resolution requested by at least 3% of asset owners, investment managers or service providers. If a simple majority of voters approve the resolution, the Board must report on its deliberations and responding action on a comply or explain basis.

DELIVER AND SUPPORT AN EFFECTIVE GOVERNANCE STRUCTURE

KEY CONTACT

Christopher Sperling
Associate Director, Corporate Office

christopher.sperling@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The Board is composed of:

- one Chair
- ten Directors* (seven elected by asset owner signatories, two by investment manager signatories and one by service provider signatories)
- two Permanent UN Advisors from the PRI's founding UN partners (UN Global Compact and UNEP Finance Initiative).



Martin Skancke Chair, PRI Appointed until 2017	David Atkin CEO, Cbus Elected until 2015	Marcel Barros Board member, PREVI Elected until 2017	Mark Chaloner Assistant Director (Investments), West Midlands Pension Fund Elected until 2017	Niels Erik Petersen CIO, Unipension Elected until 2016	Priya Mathur Board member, CalPERS Elected until 2016	Renosi Mokate Chairperson of the Board of Trustees, Government Employees Pension Fund (GEPF) Elected until 2017	Daniel Simard CEO, Bâtirent Elected until 2015	Eric Wetlaufer Senior Vice President – Public Market Investments, Canada Pension Plan Investment Board Elected until 2015
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DIRECTORS ELECTED BY NON ASSET OWNERS



Geeta Aiyer President and Founder, Boston Common Elected until 2017	Colin Melvin CEO, Hermes Equity Ownership Services Elected until 2016	Masaru Arai Chairman, Japan Sustainable Investment Forum Elected until 2015	Peter Webster CEO, EIRIS Elected until 2016
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PERMANENT UN ADVISORS

UNGC UNEP



Gavin Power Deputy Director, UNGC	Eric Usher Head (acting), UNEP FI
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* The number and arrangement of Directors currently differs from this composition because the former PRI Advisory Council representatives became Board Directors upon the Advisory Council's dissolution on 1 April 2015. The Board will reach its intended composition when they have all served their original elected terms, the last of which will end in January 2017.

BOARD AND ADVISORY COUNCIL MEETING ATTENDANCE (JULY 2014 - JUNE 2015)

NEW BOARD / PREVIOUS ADVISORY COUNCIL

	Meetings	Calls
Paul Abberley (ended 12/14)	0/3	0/2
Geeta Aiyer (started 01/15)	2/2	2/2
Charles Anderson**	5/5	3/4
David Atkin	4/5	3/4
Marcel Barros	5/5	2/4
Else Bos (ended 12/14)***	2/3	0/2
Mark Chaloner (started 01/15)	2/2	2/2
Priya Mathur	5/5	3/4
Colin Melvin	5/5	4/4
Renosi Mokate (started 01/15)	2/2	1/2
John Oliphant (ended 12/14)****	0/3	0/2
Niels Erik Petersen	5/5	4/4
Gavin Power	5/5	2/4
Luciane Ribeiro (ended 06/15)*****	1/4	1/4
Martin Skancke	5/5	4/4
Daniel Simard	5/5	4/4
Peter Webster	5/5	3/4
Eric Wetlaufer	5/5	4/4

PREVIOUS BOARD

	Meetings	Calls	Fees
Chris Ailman (ended 03/15)	3/4	2/3	-
David Atkin	3/4	2/3	-
Else Bos (ended 03/15)	3/4	1/3	-
Priya Mathur	4/4	2/3	-
David Russell (ended 03/15)	4/4	2/3	-
Glen Saunders (ended 09/14)	2/2	1/1	£ 15,500
Martin Skancke	4/4	3/3	£ 74,219

The new Board had a meeting in June 2015 and a call in April 2015.

The old Advisory Council and Board each had meetings in March 2015, December 2014, September 2014 and July 2014, plus calls in February 2015, November 2014 and September 2014.

BOARD REMUNERATION

Two Directors who served as Board Chair received remuneration during the period.

**or Annie Degen or Eric Usher or Yuki Yasui
***represented by a delegate at one Advisory Council meeting
****represented by a delegate at two Advisory Council meetings and one conference call
*****represented by a delegate at one Advisory Council call

IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

BOARD COMMITTEES

A number of committees to facilitate the workings of the Board were established within the new governance structure in April 2015.

As part of the PRI's governance review, the roles and purposes of the Board committees were reviewed. A number of the new committees assume some of the responsibilities of former Advisory Council and Board committees. Where there is a strong overlap, the meetings of the former committees are noted.

ETHICS

Members: Niels Erik Petersen (Chair), Geeta Aiyer, Marcel Barros

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

The committee has met once since it was established in April 2015.

[Terms of Reference](#)

FINANCE, AUDIT AND RISK

Members: Colin Melvin (Chair), Mark Chaloner, Priya Mathur

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

The committee has met once since it was established in April 2015. (The former Audit and Risk committee met once between July 2014 and March 2015.)

[Terms of Reference](#)

HUMAN RESOURCES AND REMUNERATION

Members: Renosi Mokate (Chair), Daniel Simard, Eric Wetlaufer

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

The committee has met twice since it was established in April 2015. (The former Remuneration committee met three times between July 2014 and March 2015.)

[Terms of Reference](#)

SIGNATORY AND STAKEHOLDER ENGAGEMENT

Members: David Atkin (Chair), Renosi Mokate, Gavin Power, Daniel Simard, Peter Webster, Eric Usher

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

The committee has met twice since it was established in April 2015. (The former Membership committee met once between July 2014 and March 2015.)

[Terms of Reference](#)

SKILLS, DIVERSITY AND ELECTIONS

Members: Martin Skancke (Chair), Geeta Aiyer, Priya Mathur, Peter Webster

The committee guides the Board on the measures to promote the diversity and appropriate skills and expertise for it to carry out its duties effectively. It facilitates the process for the Board to evaluate the Board Chair's performance and supports the Board in overseeing the election process.

The committee has met three times since it was established in April 2015. (The former Election Oversight Committee met once between July 2014 and March 2015)

[Terms of Reference](#)

PARTNERSHIPS

KEY CONTACT

Nikola Sobot
Head of Partnerships

nikola.sobot@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Partnering with the PRI allows organisations to showcase their commitment, associate themselves with expertise and leadership and gain exposure to peers and potential clients through branding, speaking engagements and more.

The PRI is committed to ensuring that it is open and transparent about its fundraising and spending. The PRI is always honest about where its money comes from and the way in which it is spent.

The PRI thanks the following organisations for providing financial or in-kind support during the year, such as providing complementary access to research and data; sponsoring, hosting or publishing PRI events or publications; or advertising.

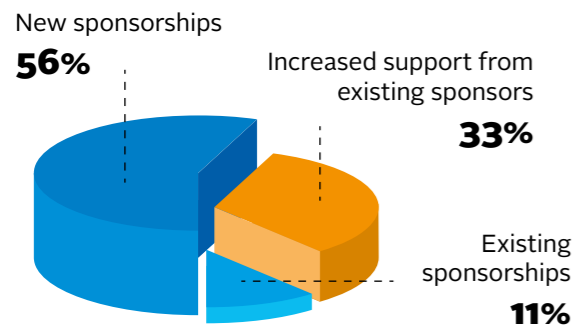


As a member of the Fundraising Standards Board (FRSB) the PRI follows the Institute of Fundraising's Code of Fundraising Practice and uses the FRSB's Fundraising Promise:

OUR FUNDRAISING PROMISE

- We are committed to high standards
- We are honest and open
- We are clear
- We are respectful
- We are fair and reasonable
- We are accountable

- Actis
- Addenda Capital
- Allianz Climate Solutions
- Amundi Asset Management
- APG Asset Management
- Aviva Investors
- Axa
- Batirente
- bcIMC
- BlackRock
- Bloomberg
- BofA Merrill Lynch Global research
- British Embassy – Japan
- Caisse de Depot
- Cap Finance/Desjardins
- Carleton 3CI
- Catholic Superannuation Fund
- CFA Institute
- City of London Corporation
- City of Montréal
- Concordia/John Molson School of Business
- Corporate Knights
- CPBI / ICRA
- CSSP - Center for Social and Sustainable Products
- Developing World Markets
- Environmental Finance
- Environmental Resources Management
- Etica SGR
- EY
- F&C Management
- Finance Montréal and the Québec PRI Network Signatories
- First Capital Realty
- FTSE Group
- GIE AXA
- Government Employees Pension Fund of South Africa
- Hermes Equity Ownership Services Ltd
- Hexavest
- HSBC Global Asset Management
- Infraprev
- Itaú Asset Management
- Ivanhoe Cambridge
- Kepler-Cheuvreux
- KfW Bankengruppe
- KKR
- KPMG
- Local Government Superannuation Scheme
- London School of Economics (LSE)
- Macif Gestion
- Man Group
- Mercer
- MSCI ESG Research
- National Ecocredit
- Nordea
- Northern Trust Asset Management
- Oekom
- Office of the Chief Investment Officer - University of California
- Old Mutual plc
- Ownership Capital
- Power Corporation
- Presima
- PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil
- PricewaterhouseCoopers LLP
- RepRisk
- Responsible Investor
- Robbins Geller Rudman & Dowd LLP
- Robeco
- Sjunte AP-fonden
- South Pole
- Standard Life Investments
- Suncor Energy
- Sustainability
- Sustainability
- Sycomore Asset Management
- TD Asset Management
- Thomson Reuters
- Threadneedle
- Toronto Stock Exchange
- TruValue Labs
- Vigeo
- Wellington Management Company
- Wespeth Investment management



FINANCIAL REPORT

KEY CONTACT

Mark Blair
Director of Operations and Finance

mark.blair@unpri.org



IMPACT					INFLUENCE					CAPABILITY			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

INCOME

During the 2014/15 financial year, the PRI derived income from the following sources:

- **Signatory fees:** All signatories pay an annual fee, based on their total assets under management (for asset owners and investment managers) or number of employees (for service providers). In 2014/15, income from new and existing signatories amounted to £4.56 million (2013/14: £3.95 million), accounting for nearly 92% of the PRI's income.
- **Grants, donations and other income:** There was a £9,000 downward adjustment to prior years' provision for a European Commission grant that was subsequently reduced. The PRI received £32,000 in contributions to two projects: the Asset owner climate change strategy project and the Fixed income investor guide.
- **PRI in Person:** Event sponsorships and delegate fees from the PRI's annual conference, held in Montréal in September 2014, contributed £399,000 in net income (2013/14: £239,000). The increased income is a result of approximately 200 additional attendees, and significantly increased sponsorship.

SUMMARY OF INCOME

Membership fee – renewal	3,660	4,275
Membership fee – new signatories	293	281
Grants, donations and other income	121	22
PRI in Person and Academic Network Conference surplus	239	399
PRI Academy	--	73
TOTAL INCOME	4,313	5,050

	ACTUAL 2013/14 (£,000s)	ACTUAL 2014/15 (£,000s)
Membership fee – renewal	3,660	4,275
Membership fee – new signatories	293	281
Grants, donations and other income	121	22
PRI in Person and Academic Network Conference surplus	239	399
PRI Academy	--	73
TOTAL INCOME	4,313	5,050

EXPENDITURE

During 2014/15, total expenditure grew to £4.7 million (2013/14: £4.3 million). A summary of spending is provided in the table below, along with further information about the categories with expenditure above £100,000.

- **1. Staff:** Staff costs increased to £2.7 million (2013/14: £2.3 million).

The PRI's staff are its main asset and as a result, salary costs make up the largest single item of expenditure. Total staff numbers grew to 63.9 full-time equivalents (FTE) at 30 June 2015 (30 June 2014: 52.4), as we expanded activities in our regional Networks and Signatory Relations, in Policy and Research and hired staff for the newly acquired PRI Academy.
- **2. Network teams:** The cost of running Network teams increased to £441,000 (2013/14: £244,000).

The increased cost of the PRI's Networks is a result of expanding our international footprint, including

having new Network Managers in the US and Europe. Networks provide support to signatories at a local or regional level, with staff and consulting services based in the United Kingdom, Japan, South Africa, Australia, Germany, Brazil and the US.

- **3. Bought-in services and consulting:** The cost of bought-in services and consulting decreased to £404,000 (2013/14: £469,000).

External suppliers are contracted where there is a short-term or one-off requirement for support or expertise, and where internal resources or expertise are unavailable. All major procurement projects and consultancy engagements are reviewed by the Director of Operations and Finance before the appointment is confirmed.

The PRI incurred costs greater than £10,000 with these providers: Right Lane Consulting (strategy review), Carnstone Partners (governance review), Mirador Consulting (Fixed income investor guide), Foundation for the Global Compact (staff sharing), University

IMPACT					INFLUENCE					CAPABILITY					
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
													ACTUAL 2013/14 (£,000s)	ACTUAL 2014/15 (£,000s)	
SUMMARY OF EXPENDITURE															
Staff ¹														2,290	2,668
Network teams ²														244	441
Bought-in services and consulting ³														469	404
Rent ⁴														331	313
Meetings and travel ⁵														296	273
IT costs and telephones ⁶														146	190
Legal & professional services ⁷														94	125
Staff recruitment ⁸														160	91
Signatory & other hospitality														38	39
Reports & printing														59	37
Staff training & development														37	32
Events, conferences & equipment														40	30
Bank charges & discounts														16	29
Subscriptions														19	21
Academy commissions														-	16
Other expenditure (sundry expenses and insurance)														3	10
Loss on foreign currency														11	0
Academic awards														10	0
TOTAL (PRI in Person expenditure not included)														4,263	4,719

of Reading (research collaboration agreement with the PRI Senior Academic Fellow), Language Connect (translation and proof-reading of Reporting and Assessment materials).

The PRI is committed to ensuring a fair, transparent and accountable process for the purchasing of goods and services from external suppliers. A copy of the PRI's procurement policy, which provides direction to staff in relation to tendering, contracting and procurement activity, is available on the PRI website.

- **4. Rent:** Rent costs decreased to £313,000 (2013/14: £331,000).

The 2014/15 financial year was the first full year the PRI spent in its new, larger offices in Aldgate, closer to the UK's investment heart, the City of London. An overlap in rent for the new and old premises caused the heightened 2013/14 figure.

- **5. Meetings and travel:** Meeting and travel costs decreased to £273,000 (2013/14: £296,000).

Travel is of primary importance to our Networks staff serving signatories on the ground in their respective regions. It is also critical to our outreach activities,

particularly through the Managing Director and Chair who travel around the world to speak to signatories and the wider investment community about the purpose and activities of the PRI.

- **6. IT and telephones:** IT and telephone costs increased to £190,000 (2013/14: £146,000).

IT and telephone costs grew in accordance with increased staff numbers, as well as in building a new public website and signatory collaboration portal.

- **7. Legal and professional services:** The cost of legal and professional services increased to £125,000 (2013/14: £94,000).

These costs include trademark registration, governance, audit and tax advices services. The higher cost in 2014/15 is a result of legal fees relating to the acquisition of the PRI Academy.

- **8. Staff recruitment:** The cost of recruiting staff decreased to £91,000 (2013/14: £160,000).

IMPACT					INFLUENCE					CAPABILITY					
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
													JUNE 2014	JUNE 2015	
NUMBER OF STAFF BY DEPARTMENT															
Communications and Events														7	7
Directors														4	3
NGO & Signatory Relations														9.4	14.9
Ops, Finance & Academy														7.4	13
Policy, Research & Academic														3	5
Signatory Services (comprising Implementation Support, Investor Engagements, Reporting and Assessment)														21.6	21
TOTAL														52.4	63.9

OPERATING SURPLUS

In 2014/15, the PRI incurred a surplus of £280,000 (2013/14: £35,000). The improved outcome largely results from five items: higher than predicted fee income brought about by a revaluation of AUMs in the Reporting Framework, strong attendance and sponsorship of PRI in Person 2014, new signatories, delays in filling staff vacancies and reduced outsourcing.

CASH RESERVES

Cash increased by £244,000 to £1.8 million at the end of the period.

ASSOCIATED ENTITIES

STICHTING RI

Stichting RI was established in 2012 as an independent not-for-profit Dutch-registered charitable foundation. It was dissolved in April 2015 as part of moves to simplify the PRI's governance structure.

Stichting RI's primary purpose was to attract grants from foundations or other organisations that support only charitable-status organisations. Since 2012, SRI's fundraising activities have increasingly been assumed by PRI Association, the UK-registered not-for-profit company that hosts the PRI. PRI Association has now established a track record raising grant money and collecting donations in its own name.

At the date of its dissolution, its minimal remaining funds were transferred to the Foundation for the Global Compact.

PRI ENTERPRISES

PRI Enterprises was incorporated in November 2013 as a subsidiary of the PRI Association. It was created to act as a vehicle for any future activity of PRI Association that may be commercial in nature.

It now houses the PRI Academy, which the PRI acquired in September 2014. Since acquisition the PRI Academy has recruited a Head of Online Learning and been focused on further building the team and transitioning the online learning modules and platforms to the PRI.

The PRI's ambition for the PRI Academy's funds is to plough back any surplus income into further course development.

PRI ASSOCIATION

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR
ENDED 31 MARCH 2015

Following the PRI's governance review, a new Board of Directors for PRI Association was constituted on 1 April 2015. Three directors of the previous PRI Board resigned on 31 March 2015 and seven new Directors were appointed on 1 April 2015. This report and the consolidated statements cover the period of the previous Board.

DIRECTORS

D Atkin
P Mathur
M Skancke
G Aiyer (appointed 1 April 2015)
M Barros (appointed 1 April 2015)
M Chaloner (appointed 1 April 2015)
C Melvin (appointed 1 April 2015)
R Mokate (appointed 1 April 2015)
N Petersen (appointed 1 April 2015)
L Ribeiro (appointed 1 April 2015)
D Simard (appointed 1 April 2015)
P Webster (appointed 1 April 2015)
E Wetlaufer (appointed 1 April 2015)

SECRETARY

Bristows Secretarial Limited

COMPANY NUMBER

07207947 (England and Wales)

REGISTERED OFFICE

5th floor
25 Camperdown Stret
London
E1 8DZ

INDEPENDENT AUDITOR

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

DIRECTORS' REPORT

The directors present their report and the consolidated financial statements of PRI Association and its subsidiary, together referred to as 'the group' for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the group and the company in the year under review continued to be that of a network of international investors working together to put the Principles for Responsible Investment into practice. The company is not for profit.

DIRECTORS

The directors who served during the year were:

- P Mathur
- D Atkin
- M Skancke
- G Saunders (resigned 30 September 2014)
- C Ailman (resigned 31 March 2015)
- D Russell (resigned 31 March 2015)
- E Bos (resigned 31 March 2015)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain

the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 July 2015 and signed on its behalf.

M Skancke
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRI ASSOCIATION

We have audited the financial statements of PRI Association for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OTHER MATTERS

The prior year consolidated figures presented as comparatives included the unaudited balances from the subsidiary.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report or in preparing the Directors' report.

Mark Worsey
(Senior Statutory Auditor)
for and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 27 July 2015

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	NOTES	2014/15 £	2013/14 £
INCOME	2	5,438,533	4,502,350
Administrative expenses		(5,158,116)	(4,467,610)
OPERATING SURPLUS	3	280,417	34,740
Other interest receivable and similar income	6	18,961	5,153
Interest payable and similar charges		(-)	(5)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		299,378	39,888
Tax on surplus on ordinary activities	7	(1,756)	(1,031)
SURPLUS FOR THE FINANCIAL YEAR	14	297,622	38,857

CONSOLIDATED BALANCE SHEET

	NOTES	2014/15 £	2014/15 £	2013/14 £	2013/14 £
FIXED ASSETS					
Intangible assets	8		33,724		-
Tangible assets	9		177,983		204,282
			211,707		204,282
CURRENT ASSETS					
Debtors	12	397,315		250,950	
Cash at bank		1,834,325		1,590,278	
		2,231,640		1,841,228	
CREDITORS: amounts falling due within one year	13	(582,155)		(481,940)	
NET CURRENT ASSETS			1,649,485		1,359,288
NET ASSETS			1,861,192		1,563,570
CAPITAL AND RESERVES					
Income and expenditure account	14		1,861,192		1,563,570
			1,861,192		1,563,570

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2015.

M Skancke
Chair

COMPANY BALANCE SHEET

	NOTES	2014/15 £	2014/15 £	2013/14 £	2013/14 £
FIXED ASSETS					
Tangible assets	9		177,983		204,282
Investments	10		1		1
			-----		-----
			177,984		204,283
CURRENT ASSETS					
Debtors	12	455,976		250,950	
Cash at bank and in hand		1,799,169		1,590,277	
		-----		-----	
		2,255,145		1,841,227	
CREDITORS: amounts falling due within one year	13	(525,222)		(481,940)	
NET CURRENT ASSETS			-----		-----
			1,729,923		1,359,287
NET ASSETS			-----		-----
			1,907,907		1,563,570
CAPITAL AND RESERVES					
Income and expenditure account	14		1,907,907		1,563,570
			-----		-----
			1,907,907		1,563,570
			=====		=====

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2015.

M Skancke
Chair

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of PRI Association and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

The surplus for the year dealt with in the accounts of the company was £344,337 (2014 - £38,857).

The financial statements present information about the company as both an individual undertaking and its group.

The company is a parent company subject to the small companies regime. The company and its subsidiary comprise a small group. The company is therefore not required to, however has chosen to, prepare group financial statements.

1.4 INCOME

Income represents annual subscriptions paid by members, events income, voluntary donations and grants. Subscriptions are recognised on joining the Association or on subsequent renewal dates, on an accruals basis. Events income is recognised as the event occurs. Donations are recognised on a receipts basis. Reimbursement grants are recognised in line with relevant expenses on an accruals basis.

1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual value, over their expected useful lives of 4 years.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvement costs	-	20% straight line
Fixtures and fittings	-	20% straight line
Office equipment - computers	-	33.33% straight line
Office equipment - other	-	20% straight line

1.7 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS

2 INCOME

84.0% of the company's income (2014 - 84.2%) is attributable to geographical markets outside the United Kingdom.

3 OPERATING SURPLUS

THE OPERATING SURPLUS IS STATED AFTER CHARGING:

	2014/15 £	2013/14 £
Depreciation of tangible assets; - owned by the company	45,315	14,626
Pension costs	107,210	79,329
Amortisation of intellectual property rights	5,282	-
	=====	=====

4 AUDITORS' REMUNERATION

Fees payable to the group's auditor and its associates for the audit of the group's annual accounts

	2014/15 £	2013/14 £
	16,500	12,500
	=====	=====

5 DIRECTORS' REMUNERATION

Aggregate remuneration

	2014/15 £	2013/14 £
	89,719	62,000
	=====	=====

Of the 7 directors over the year, remuneration was paid to 2 directors who acted as Board Chair (2014 - 2 directors).

6 INTEREST RECEIVABLE

Other interest receivable

	2014/15 £	2013/14 £
	18,961	5,153
	=====	=====

7 TAXATION

UK corporation tax charge on surplus for the year

	2014/15 £	2013/14 £
	1,756	1,031
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

8 INTANGIBLE FIXED ASSETS

GROUP COST

At 1 April 2014	-
Additions	39,006

At 31 March 2015

39,006

AMORTISATION

At 1 April 2014	-
Charge for the year	5,282

At 31 March 2015

5,282

NET BOOK VALUE

At 31 March 2015	33,724

At 31 March 2014

-

9 TANGIBLE FIXED ASSETS

GROUP AND COMPANY COST

	LEASHOLD IMPROVEMENT COSTS £	FIXTURES AND FITTINGS £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	TOTAL £
At 1 April 2014	136,461	61,607	22,290	-	220,358
Additions	1,500	-	5,400	12,116	19,016
	-----	-----	-----	-----	-----

At 31 March 2015

137,961 61,607 27,690 12,116 239,374

DEPRECIATION

At 1 April 2014	8,857	4,107	3,112	-	16,076
Charge for the year	27,592	12,321	4,278	1,124	45,315
	-----	-----	-----	-----	-----

At 31 March 2015

36,449 16,428 7,390 1,124 61,391

NET BOOK VALUE

At 31 March 2015	101,512	45,179	20,300	10,992	177,983
	-----	-----	-----	-----	-----

At 31 March 2014

127,604 57,500 19,178 - 204,282

INTELLECTUAL
PROPERTY
RIGHTS
£

NOTES TO THE FINANCIAL STATEMENTS

10 FIXED ASSETS INVESTMENTS

PRI Enterprises Ltd was incorporated on 5 November 2013 and was dormant in the period from incorporation to 31 March 2014. The subsidiary commenced trading in the year ended 31 March 2015.

INVESTMENTS IN SUBSIDIARY COMPANIES £

COST OR VALUATION

At 1 April 2014 and 31 March 2015

NET BOOK VALUE

At 31 March 2015

At 31 March 2014

1

1

1

11 PRINCIPAL SUBSIDIARIES

COMPANY NAME	PERCENTAGE SHAREHOLDING
PRI Enterprises Limited	100 %

12 DEBTORS

Trade debtors
Amounts owed by group undertakings
Other debtors

	GROUP		COMPANY	
	2014/15 £	2013/14 £	2014/15 £	2013/14 £
Trade debtors	71,185	50,040	71,184	50,040
Amounts owed by group undertakings	-	-	69,144	-
Other debtors	326,130	200,910	315,648	200,910
	397,315	250,950	455,976	250,950

13 CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors
Corporation tax
Other taxation and social security
Other creditors

	2014/15 £	2013/14 £	2014/15 £	2013/14 £
	Trade creditors	83,073	106,405	55,443
Corporation tax	1,756	1,031	1,756	1,031
Other taxation and social security	70,611	33,295	70,611	33,295
Other creditors	426,715	341,209	397,412	341,209
	582,155	481,940	525,222	481,940

NOTES TO THE FINANCIAL STATEMENTS

14 RESERVES

INCOME AND EXPENDITURE ACCOUNT £

At 1 April 2014
Surplus for the financial year

At 31 March 2015

GROUP

1,563,570
297,622

1,861,192

COMPANY

1,563,570
344,337

1,907,907

15 PENSION COMMITMENTS

PRI Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £107,211 (2014 - £79,329). Contributions totalling £10,812 (2014 - £103) were payable to the pension fund at the balance sheet date and are included in creditors.

16 OPERATING LEASE COMMITMENTS

At 31 March 2015 the group had annual commitments under non cancellable operating leases as follows:

GROUP AND COMPANY EXPIRY DATE:	2014/15 £	2013/14 £
	Between 2 and 5 years	188,006

17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 16.2 of the FRSSE and has not disclosed transactions with wholly owned members of the group headed by the company. There were no other related party transactions.

18 CONTROLLING PARTY

In the opinion of the directors, there was no ultimate controlling party during the years ended 31 March 2014 and 2015.

19 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have any share capital. The liability of the members in the event of the company being liquidated is limited to £1 per member.

SUSTAINABILITY

The PRI recognises that its activities have environmental, social and governance impacts on many levels.

Most of the PRI's impact is positive and happens indirectly via the work that we do to help our 1400+ signatories implement the Principles.

We have an impact on:

- our investor signatories – by encouraging them to be more transparent in their investment activities;
- companies – by improving their practices through investor engagements;
- markets – through ventures such as the Sustainable Stock Exchanges initiative.

Beyond these positive, indirect impacts, we recognise that our operating activities can have a negative direct impact, and we try to minimise these wherever possible.



ENVIRONMENTAL

The PRI has been certified as compliant with ISO 14001, the international standard for environmental management systems. As part of this certification, we will continue to monitor, manage and reduce our impact on the environment through transport, waste, consumption of natural resources, energy use and procurement.

Efforts to ensure our flagship PRI in Person conference is as sustainable as possible include: using ISO-certified venues, publishing a waste report after the event, making the event paper-free, using sustainable materials, offering carbon credits to offset delegates' transport, using local suppliers, serving only vegetarian food and using no disposable plates, cups or bottles.



SOCIAL

The PRI works with the Brokerage Citylink charity to open up career opportunities within financial services for young people from a range of backgrounds across London. We have donated no longer needed computer supplies to charities that can use them, and support individual employees' charitable efforts, including funding supplies for the annual J.P.Morgan Chase Corporate Challenge.

We aim to source goods and services from independent, neighbourhood suppliers whenever possible.

For more detail on how the PRI meets its social responsibilities towards its own employees, see page 35.



GOVERNANCE

The PRI has recently completed a comprehensive, independent governance review, including extensive signatory consultation, to ensure a simple, transparent and accountable governance structure. For more on the PRI's work to *Deliver and support an effective governance structure*, see pages 36-39.

Beyond the governance structure, good governance practice at the PRI includes: annual signatory elections, term length limits for Board Directors, publishing Board attendance/compensation records and maintaining a clear separation between the roles of Managing Director and Board Chair.

The PRI has also introduced a board diversity policy in the belief that diversity contributes to a high-performing organisation.

STEERING COMMITTEES

Steering committees guide the work of the PRI and help to implement our work programmes. The following organisations are currently contributing to PRI steering committees.

ACADEMIC NETWORK

- Carleton University
- Collaborare Advisory
- Concordia University
- ESSEC Business School
- Harvard Kennedy School
- Henley Business School
- Just Capital Foundation
- London School of Economics
- Mercer Investments
- Oddo Securities
- Philips Pensioenfond
- Saint Mary's College
- Université du Québec à Montréal
- University of Hamburg
- University of Oslo

AUSTRALIA NETWORK

- AMP Capital Investors
- Australian Council of Superannuation Investors (ACSI)
- Australian Super
- BT Financial Group
- Christian Super
- Colonial First State Global Asset Management
- RIAA
- UCA Funds Management

FIXED INCOME

- Allianz Insurance
- Deutsche Asset & Wealth Management
- KfW Bankengruppe
- MP Capital Investors
- MSCI
- PIMCO
- Royal London Asset Management
- The Pensions Trust
- Union Investment
- Uninvest Company (Unilever Pension Funds)

HEDGE FUNDS

- Albourne Partners Limited
- APG Asset Management
- Church of England Pensions Board
- GLG Partners LP
- Government Employees Pension Fund of South Africa
- Mariner Investment Group
- MN
- The Pensions Trust
- Varma Mutual Pension Insurance Company

INVESTOR ENGAGEMENTS

- AMP Capital Investors
- Bâtirente

- Calvert Investments
- Church of Sweden
- ERAFP
- Ethical Council
- F&C Asset Management
- Hermes Fund Managers Limited
- Qube Investment Management Inc.
- Robeco
- Rockefeller Asset Management

LISTED EQUITY

- Alliance Trust plc
- Allianz Global Investors
- AP3
- APG Asset Management
- Bradesco Asset Management
- BT Pension Scheme
- California State Teachers' Retirement System
- Clearbridge Investments
- Merseyside Pension Fund
- MN
- New Amsterdam Partners
- Northern Trust Asset Management
- Ownership Capital
- Standard Life Investments
- Trillium Asset Management

PRINCIPLES FOR INVESTORS IN INCLUSIVE FINANCE (PIIF)

- Developing World Markets
- FMO
- Incofin
- Leapfrog Investments
- Pensioenfond Vervoer
- responsAbility Investments AG
- TIAA – CREF
- Triodos Investment Management B.V.
- Wespeth Investment Management

POLICY AND RESEARCH

- Alliance Trust PLC
- APG Asset Management
- APG Asset Management
- British Columbia Investment Management Corporation (bcIMC)
- Caisse des Dépôts et Consignations (CDC)
- California Public Employees' Retirement System (CalPERS)
- Desjardins
- Environment Agency Pension Fund
- MN
- New Zealand Superannuation Fund (NZSF)
- PGGM

PRIVATE EQUITY

- AP2
- British Columbia Investment Management Corporation
- Doughty Hanson
- Idinvest Partners
- Kohlberg Kravis Roberts & Co. L.P.
- NewQuest Capital Partners
- Ontario Teachers' Pension Plan
- Ontario Teachers' Pension Plan
- Partners Group
- PGGM Investments (Chair)
- University of California

QUEBEC NETWORK

- AlphaFixe Capital Inc.
- Bâtirente
- Desjardins Investment
- Groupe Investissement Responsable
- Montrusco Bolton Investments Inc. (MBII)
- Régime de Retraite de l'Université de Montréal

REPORTING AND ASSESSMENT

- Addenda Capital Inc.
- BayernInvest Kapitalanlagegesellschaft mbH
- Calvert Investments
- Colonial First State Global Asset Management
- Environment Agency Pension Fund
- Governance for Owners
- Mirova Environment and Infrastructure
- Old Mutual plc
- RobecoSAM AG
- Scottish Widows Investment Partnership Ltd.
- TIAA – CREF

SMALL AND RESOURCE-CONSTRAINED

- Bâtirente
- Church of Sweden
- ECP International S.A.
- Middletown Works Hourly and Salaried Union Retirees Health Care Fund
- Nathan Cummings Foundation
- SHARE – Shareholder Association for Research & Education
- Trust Waikato

SOUTHERN AFRICA NETWORK

- Element Investment Managers
- Eskom Pension and Provident Fund
- Investec
- Momentum
- Old Mutual
- RisCura

NEW SIGNATORIES

The PRI is pleased to welcome the following investors and service providers who joined the Initiative between July 2014 and June 2015:

AFRICA

- Alternative Prosperity (Pty) Ltd
- CBO Investment Management
- Mazi Capital
- MUSTARD CAPITAL PARTNERS LIMITED
- Mvunonala Asset Managers
- Standards & Legal
- Sukha & Associates
- Visio Capital Management

ASIA

- ACA Innovative Investment Management Inc.
- AIF Capital
- Cassia Investments
- Corfina Capital
- Equis Funds Group
- Golden Rock Capital
- Greenland Financial Holdings Group
- J-STAR Co., Ltd.
- Mirae Asset Global Investments (HK)
- Misaki Capital Inc.
- MS&AD Insurance Group Holdings, Inc.
- MU Investments Co. Ltd.
- Neural Inc.

EUROPE

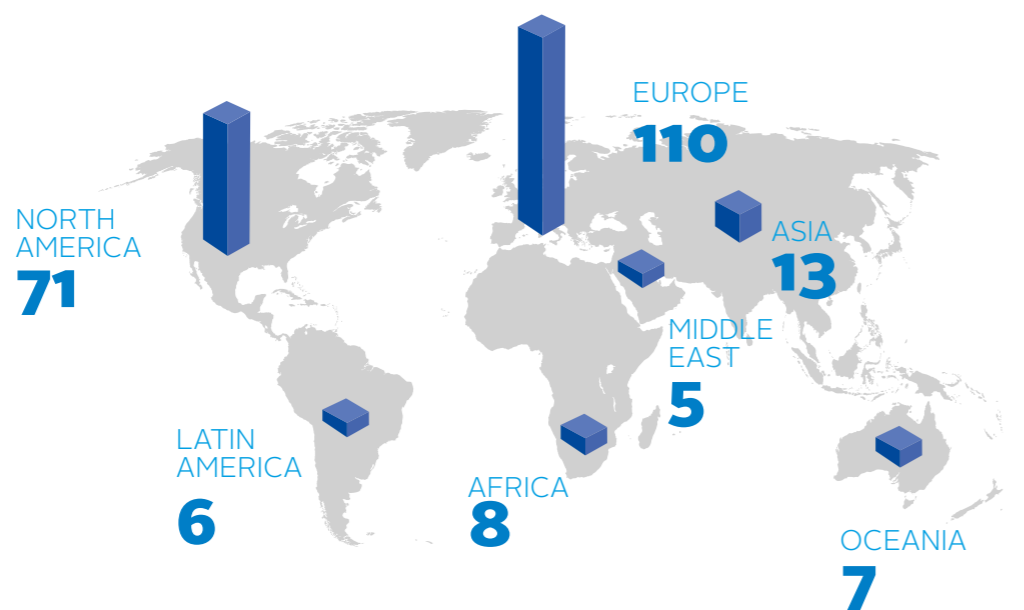
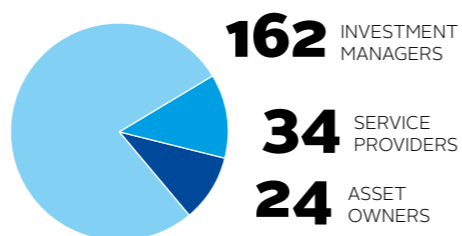
- 90 North Real Estate Partners LLP
- ACG Capital
- ACOFI Gestion
- AIM Capital Oy
- Apis Partners LLP
- Arabesque Asset Management Ltd
- areano AG
- Argos Investment Managers S.A.
- Artemis Investment Management
- ARX Equity Partners
- Bank Julius Baer & Co. Ltd.
- Bankhaus Schelhammer & Schattera KAG
- Baring Private Equity Partners España

JULY 2014 - JUNE 2015
NEW SIGNATORIES

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NEW SIGNATORIES

NEW JOINERS BY SIGNATORY CATEGORY



- Barmeria Versicherungen
- Basellandschaftliche Kantonalbank
- Bencis Capital Partners
- BlackFin Capital Partners
- Blue Harvest SA
- Capvis Equity Partners
- Carnegie Fonder AB
- Castik Capital S.à r.l.
- CDC International Capital
- Charles Stanley PLC
- City of London Investment Group PLC
- Coller Capital
- Comic Relief

- CORDET
- Crescit Asset Management AB
- Delta Alternative Management
- Ecofact
- Edinburgh Partners Limited
- EDM
- Eiffel Investment Group
- Eleva Capital LLP
- EnerCap Capital Partners
- Engagement International
- Entropics Asset Management
- Epique Oy
- EQUUS Capital Partners, LLC
- ERES GESTION

- Euro Private Equity
- European Capital Debt Management Limited
- FAME Investments
- FERI AG
- Fideres Partners LLP
- First Private Investment Management KAG mbH
- Fisch Asset Management AG
- FourWinds Capital Management
- GAM (U.K.) Limited
- Geneva Capital S.A.
- GHO Capital
- GLG Partners LP
- Goodyields Capital GmbH

- Guardian Media Group
- IBS Capital Management B.V.
- Incus Capital
- Investinor AS
- Invimit SGR
- KEPLER-FONDS KAG
- Lancashire County Pension Fund
- Lane Clark & Peacock LLP
- Lazard Frères Gestion
- Life Sciences Partners (LSP)
- Ludgate Investments
- Lupus alpha Asset Management AG

- Lyxor Asset Management
- MainFirst Holding AG
- Milestone Investisseurs
- Montpensier Finance
- NAI Italy
- Navigera AB
- Nordea Life & Pensions
- Northern Horizon Capital A/S
- Ohman
- OHV
- OpCapita LLP
- Ownership Capital
- Pareto Forvaltning AS
- Paul Hamlyn Foundation
- Pegaso - Fondo pensione complementare
- Procuritas Capital Investors
- Prometeia Advisor Sim
- RAISE
- Real Estate Asset & Assurance Service s.p.a.
- Realza Capital S.G.E.I.C., S.A.
- Redington
- Resonance Asset Management Limited
- Rhein Asset Management (Lux) S.A.
- Rogge Global Partners
- Roxbury Asset Management
- Rudman Advisory
- Salvepar
- Savills Investment Management
- ShareAction
- Skandia Liv Kapitalforvaltning
- Sp-Fund Management Company Ltd
- Spudy Invest GmbH
- St. Bedrijfspensioenfonds voor de Koopvaardij
- Stichting Total Pensioenfonds Nederland

- Sustainable Value Investors
- Swen Capital Partners
- Teslin Capital Management
- Tikehau Investment Management
- Trium Investment Management LLP
- Trusteam Finance
- University of St. Andrews
- Vallis Capital Partners
- Varainhallinta Tresor Oy
- Veritas Investment GmbH
- Ysios Capital

LATIN AMERICA

- Altere Securitizadora
- FIRST Gestão de Investimentos S.A
- NSG Capital
- Pacific Agri Capital
- SustenRisk Consultoria
- UFG Asset Management

MIDDLE EAST

- Mulkia Investment
- SDS Int'l Group (Sustainable Development Strategy International Group)
- SEDCO Capital
- Sustainability Excellence Management Consulting Ltd.
- TVM Capital Healthcare Partners

NORTH AMERICA

- 747 Capital
- Abbott Capital
- AJF Financial Services, Inc.
- ALGER
- Avanath Capital Management, LLC
- Bank of America Global Wealth and Investment Management
- Bonfield Financial
- Brightwood Capital Advisors, LLC
- Canadian Union of Public Employees Employees' Pension Plan (CEPP)
- Colleges of Applied Arts & Technology Pension Plan CAAT

- Columbia Management Investment Advisers, LLC
- Connor, Clark & Lunn
- Dalton, Greiner, Hartman, Maher & Co., LLC (DGHM)
- DBL Investors
- Eagle Trading Systems Inc.
- Eaton Vance Management
- EquityCompass Strategies
- First Trust Advisors L.P.
- GCM Customized Fund Investment Group, L.P.
- Genstar Capital
- Genus Capital Management
- Global Initiative for Sustainability Ratings
- Green Century Capital Management, Inc.
- Hartford Funds Management Company, LLC
- Hudson Clean Energy Partners
- Institutional Shareholder Services (ISS)
- Jamestown LP
- Jantz Management LLC
- Jarislowsky, Fraser Limited
- KERN Partners Ltd.
- Lazard Asset Management LLC
- Le Mouvement d'éducation et de défense des actionnaires (MÉDAC)
- Lenox Park
- Longfellow Investment Management Co.
- Loomis, Sayles & Company, L.P.
- Mackenzie Investments
- Magni Global Asset Management
- NCH Capital Inc.
- NEPC, LLC
- Neumeier Poma Investment Counsel, LLC
- NorthStar Asset Management, Inc.
- Oak Hill Capital Partners
- Park Street Capital
- Peoples Company
- PineBridge Investments
- Prudential Fixed Income
- Public Sector Pension Investment Board
- Responsible Investment Association Canada
- Schafer Cullen Capital Management
- Simon Fraser University

- Slocum
- Strategic Investment Group
- Summit Strategies Group
- Sun Life Assurance Company of Canada
- Sustainable Growth Advisers, LP
- Sustainable Insight Capital Management
- Sustainable Investments Institute (Siz)
- Tau Investment Management LLC
- Teachers' Retirement System of the City of New York
- The Hampshire Companies, LLC
- The United Church of Canada
- The Vanguard Group, Inc.
- Treehouse Investments, LLC
- Trinitas Partners, LLC
- TruValue Labs
- Turner Impact Capital, LLC
- University of California
- University of Victoria
- WCTI Partners
- Wells Capital Management
- Westfield Capital Management

OCEANIA

- Infrastructure Capital Group
- L1 Capital Pty Ltd
- Novion Property Group
- QBE Insurance Group Limited
- Salt Funds Management
- WaveStone Capital
- Wingate Asset Management

DELISTED SIGNATORIES

Signatories are delisted if they do not pay the fee or participate in the reporting and assessment process, or if they choose to leave.

* Denotes a signatory that has been delisted due to merger with or acquisition by another signatory, or where the parent organisation has subsequently signed up to the Principles.

** Denotes a signatory that has been delisted in July 2015 for failure to report in the previous reporting cycle.

- 3P FINANZ AG
- ABD Investment Management LLP
- AccessAlpha Worldwide LLC
- Aditus Consultoria Financeira
- Alaya Consulting Limited
- Alcyone Finance*
- ALNUA Investment Managers
- Alternative Investment Capital Limited
- AltruShare Securities, LLC.
- AQAL Capital
- Ark Investment Advisors Inc.
- Athanasios Niforos
- Austin Rating
- AWJ Capital Partners LLC
- Banco Espírito Santo
- Bocap Investment Ltd
- Bond Street Management LLC
- Cadwyn Point Partners
- Callund Consulting Limited
- CamGestion*
- CAMRADATA Analytical Services
- Caser Pensiones Entidad Gestora de Pensiones, S.A**
- Center for Good Corporate Governance (CGCG)
- Citola Limited
- Climate Change Capital
- CPH Capital Fondsmæglerselskab A/S*
- Craton Capital Limited
- Danske Invest (Investeringsforeningen Danske Invest, Investeringsforeningen danske Invest Select)*
- Disciplined Growth Investors
- DLM Invista Asset Management
- Dowse CSP
- EarthRate
- EIM Luxembourg S.A.
- Elio GP - Strategic Sustainability Consulting
- EQOM Partners análise de investimentos
- Equator, LLC
- Evangelische Darlehns-genossenschaft eG*
- Evergreen investimentos Gestão de Recursos Ltda.
- Financière de la Cité
- Forest Carbon Group AG
- Freycinet Investments Limited
- GAWA Capital Partners
- Global Forestry Capital S.a.r.l.
- GMI Ratings*
- Goldman Sachs & JBWere Superannuation Fund
- Good Bankers Co., Ltd.
- GreenStream Network plc
- Ignis Asset Management
- Illinois State Board of Investments
- IMC Asset Management
- Infinitas Asset Management Ltd
- Inseed Investimentos Ltda
- Inspired Evolution Investment Management
- Ironbridge Capital
- ISP
- JCM Capital
- JMR Portfolio Intelligence
- KKR Credit Advisors (Ireland)*
- Legacy Africa Fund Managers
- Legg Mason Asset Management Australia Limited*
- London Borough of Haringey Pensions Committee
- Macrocapitales SAFI
- Man Group plc*
- Matrix Asset Management Inc.
- MSS Capital
- Natural Assets Institute Ltd.
- NH-CA Asset Management Co.
- Northlight Group
- Pan-African Asset Management (Pty) Ltd
- Paprico AG
- Par Equity LLP
- Periscope
- Phillimore
- POINTTARGET
- Portfolio 21 Investments*
- Private Equity Partners SGR S.p.A.
- Relational Investors LLC
- Remagen Capital Limited
- Responsible Assets
- Scipion Capital Limited
- Secquaero Advisors Ltd
- Serengeti Capital Partners Ltd.
- Signina Capital AG
- Sonen Capital, LLC
- Sovereign Assurance Limited
- Stichting Beroeps-pensioenfondsen Loodsen
- Stockland
- Stratus
- Summit Global Management, Inc.**
- The GPT Group
- Totem Investimentos
- TripleB
- Trustg
- Turner Investment Partners
- Universal Health Care Foundation of Connecticut
- University of Dayton Davis Center for Portfolio Management's Flyer Investments
- Valiance
- Value ESG
- Vescore Solutions AG*
- Wealth Management Partners NV

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 issues and to support signatories in integrating these issues into investment and ownership decisions.

The six Principles were developed by investors and are supported by the UN. They are voluntary and aspirational, offering a menu of possible actions for incorporating ESG issues into investment practices. In implementing the Principles, 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



UN Global Compact

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

More information: www.unglobalcompact.org

