

PRINCIPLES FOR RESPONSIBLE INVESTMENT

Annual Report 2017

DELIVERING AN AMBITIOUS AGENDA

1,248
REPORTERS
to the PRI Reporting Framework

77
% INCREASE
in posts on our Collaboration Platform

66
% INCREASE
in social media engagement

43
NEW
asset owners recruited

134
SUBSTANTIVE MENTIONS
in the mainstream press

73
EVENTS AND WEBINARS
held around the world




















724
STUDENTS
enrolled to the PRI Academy

4,309
PODCASTS
downloaded

This annual report shows how the activities of the PRI between 1 April 2016 and 31 March 2017 align with the 14 objectives of our 2015-18 strategic plan.

OUR STRATEGY HAS 14 OBJECTIVES...

... grouped according to three themes:

IMPACT	INFLUENCE	STRATEGY
 <p>Messages from the MD and Chair</p>	 <p>Objective 1 Supporting implementation</p>	 <p>A BLUEPRINT FOR RESPONSIBLE INVESTMENT</p>
 <p>Objective 3 Engaging decision makers</p>	 <p>Objective 4 Facilitating education</p>	 <p>Objective 5 Enhancing accountability</p>
 <p>Objective 7 Strengthening key regions</p>	 <p>Objective 8 Increasing asset owner participation</p>	 <p>Objective 6 Strengthening voice</p>
 <p>Objective 11 Enhancing infrastructure</p>	 <p>Objective 12 Developing human capital</p>	 <p>Objective 9 Collaborating with key stakeholders</p>
 <p>Advisory committees</p>	 <p>New & Delisted signatories</p>	 <p>Objective 10 Working with UN partners</p>
		 <p>Objective 13 Supporting effective governance</p>
		 <p>Sustainability</p>
		 <p>Objective 14 Building financial stability</p>
		 <p>Data snapshot</p>

MARTIN SKANCKE

ENHANCING OUR CORE AGENDA

It's been a very busy year for the PRI. Following our 10-year anniversary events last summer, we set ourselves the task of putting together our [Blueprint for responsible investment](#), our vision for the next decade. This was done in consultation with our signatory base worldwide. Your feedback was invaluable for turning the Blueprint into a reality.

As we began putting the *Blueprint* together, some of you raised concerns that it meant stepping away from our core work. Nothing could be further from the truth. The number one priority for us as an organisation remains responsible investment happening across all investment classes and everything we do underpins this goal. The nine priority areas outlined in the *Blueprint* evolve out of our existing work on issues such as climate change, empowering asset owners with the tools they need for better ESG integration and creating more active owners.

“Our number one priority remains responsible investment across all investment classes. Everything we do underpins this goal.”

Martin Skancke

The PRI now has over 1,700 members and our signatory base remains extremely diverse, from very small organisations to some of the largest pension funds and fund managers in the world. This diversity means that not everything we do will be relevant for everyone. But we will only undertake work when we have established through interaction with our signatories that it will bring tangible benefits to a significant number of them. And we will be careful only to undertake work where we as an organisation are best placed to deliver signatory value. The criteria we will use to make this assessment are outlined in the *Blueprint*.

As some of you may recall, at PRI in Person last year in Singapore, we pledged to make signatories more accountable. We also addressed the issue of how to build a more sustainable financial system (SFS), which is central to our Mission. Both accountability and our SFS work feature prominently in the *Blueprint*.



Our priority now will be the implementation of the *Blueprint* over the next decade. The nine priorities we have identified are long-term projects and we look forward to working with our signatories on these activities over the coming years.

Aside from our work on the *Blueprint*, the PRI celebrated a number of other accomplishments last year. We saw strong asset owner growth, welcoming a number of new signatories. To meet our ever-growing signatory base, the PRI is continuing to expand its presence across the globe, strengthening our team in the US and our teams in Europe. In Asia, we have been forging ties with organisations such as the Asset Management Association of China and the People's Bank of China, both of whom are helping to enhance ESG activities in the region. In order to better promote responsible investing in this market, we are looking to recruit a Head of China role, a particularly exciting development.

One of the biggest issues facing many countries in Asia is, of course, air pollution and environmental degradation caused by climate change. We are continuing to focus on climate-related activities, which our signatory base indicated to us is their number one concern in terms of being a material risk for investors. We will work with organisations such as Ceres, the Asian Investor's Group on Climate Change, IIGCC and others on climate-related initiatives.

Finally, I am very proud to say that I have been re-nominated for another three-year term as chair of the PRI board. It has been my pleasure – and my privilege – to work with you and I look forward to our continued association. Thank you for your support in all that the PRI is trying to achieve.

A BLUEPRINT FOR RESPONSIBLE
INVESTMENT



FIONA REYNOLDS

DEFINING OUR PRIORITIES

There's nothing quite like the end of a decade to reflect on what has been achieved and then look over the horizon to think about what happens next.

That was very much at the heart of the PRI's work last year. As we celebrated our tenth anniversary, our thoughts were very much not just on the progress that we had made in the past decade, but on developing our next steps and priorities.

We wanted to develop a blueprint for responsible investment that would outline and clarify the PRI's priorities for the next 10 years.

To do this, we held over 20 roundtables with signatories around the world – from Sydney to Madrid, to Cape Town and São Paulo – and asked them to help us identify the critical, systemic risks and sustainability challenges responsible investment will face over the next 10 years. We also celebrated our ten-year anniversary with events in London and New York where we discussed what the future should hold for the PRI.

Over 1,000 signatories participated in these events, making it our most extensive signatory consultation exercise to date. This insight helped us to form our [Blueprint for responsible investment](#), our mandate for the next decade. It sets out how we will address the world's sustainability challenges through nine priority areas.

One of these includes the creation of a more sustainable financial system, which is integral to the PRI's Mission. We know that the financial sector still suffers from short-term thinking and a lack of incentives around sustainable investing. To address these issues, we have launched our Sustainable Financial System programme. This project will help us, and our signatories, to develop a framework that will contribute to a sustainable financial system that focuses on the long term for all investors, not just a favoured few. The programme will address key risks, such as short-termism and misaligned incentives to move financial markets to thinking with a long-term mindset.

“What we have accomplished this year is encouraging but now isn't the time to rest on our laurels. Let's keep moving forward together.”

Fiona Reynolds



We will also be tackling the threats of climate change and connecting our work to the UN's [Sustainable Development Goals \(SDGs\)](#). Our work on the SDGs in particular will strengthen the link between responsible investment and the real world – to support this, we have developed an SDG advisory committee and are building the SDG investment case.

By publicly setting out these measures, we're laying out exactly what we want to achieve – and crucially, holding ourselves to account. This is particularly relevant given the fact that we announced last year that we would begin the process of delisting signatories who do not demonstrate a minimum standard of responsible investment activity. We believe that this will help to hold every signatory accountable and ensure the PRI's relevance for years to come.

One of the highlights of developing the *Blueprint* was the extensive involvement from our signatories. I saw first-hand time, time and time again, a real dedication to moving the responsible investment agenda forward. I am extremely grateful to every one of our signatories who contributed to the *Blueprint*, whether in person or online.

We're in the fortunate position whereby we can call on our dedicated and engaged signatory base for their expertise. It's only through collaboration that we truly move forward with one united voice, addressing the challenges of the current financial system and developing best practice. Through doing this, and making their voices heard, every one of our signatories has played their part in helping us achieve our Mission.

Signatories have been making their voices heard in other ways too. They have been especially vocal during proxy season, particularly on resolutions around climate. In fact, there has been a 77% increase in posts on our Collaboration Platform compared with the previous year. Of those posts, 37% were related to climate. This increase in active ownership shows the important role investors play in responsibly guiding their investee companies.

On the signatory front, it was a very successful year in terms of recruitment. We were delighted to welcome back four Danish signatories who left us in 2013.

Further afield, we made new inroads into Asia as we welcomed our first Chinese asset manager signatory, China AMC. In fact, our overall net signatory base has grown by 14%, with 289 new signatories, adding US\$6.4 trillion in AUM. Of those 289 signatories, 43 were asset owners.

To support this ever-expanding signatory base, we have bolstered our staff numbers. We now have our first-ever full-time members of staff in France, Canada and Australia, and have grown our team in the United States.

Another highlight of the year includes the fact that our PRI Academy has seen a 43% growth in uptake of its courses.

I want to extend my sincerest thanks to both signatories and staff for their input and enthusiasm over the past year – and indeed, the past decade. In particular, I'd like to thank those who give up their time to participate in working groups and advisory committees. I would also like to give special thanks to Martin Skancke, PRI Chair, all the members of the PRI Board and the board committees for their leadership and guidance.

What we have accomplished together this year is encouraging but now is not the time to rest on our laurels. Although the PRI has been fundamental to creating a global responsible investment community, there's a long way to go until we see true ESG integration across the world. So, here's to another ten years of responsible investment. Let's keep moving forward together.

A BLUEPRINT FOR RESPONSIBLE
INVESTMENT



OBJECTIVE 1

SUPPORT SIGNATORIES IN MAKING PROGRESS TOWARDS IMPLEMENTING THE PRINCIPLES

THE PRI PRODUCES GUIDES, CASE STUDIES, WEBINARS AND EVENTS TO HELP INVESTORS IMPLEMENT THE PRINCIPLES INTO THEIR INVESTMENT PRACTICES, IN A SYSTEMATIC WAY, WITHIN EACH ASSET CLASS. AROUND 200 ORGANISATIONS SIT ON PRI ADVISORY COMMITTEES AND WORKING GROUPS TO ENSURE THAT OUR WORK IS RELEVANT TO THE DAY-TO-DAY CHALLENGES THEY FACE.

INTEGRATION/ACTIVE OWNERSHIP ACROSS ASSET CLASSES

80% RI in directly held asset classes, against a KPI target of 80%

47% portfolio construction/fair value, against a KPI target of 60%

TAKING INTEGRATION TO THE NEXT LEVEL

To guide investors – both asset owners and investment managers – who are implementing ESG integration techniques in their investment processes, we released [A practical guide to ESG integration for equity investing](#). It is the most comprehensive description to date of what ESG-integrated analysis is, and how it works in practice.

The guide contains information and over 50 case studies on integration techniques that can be applied across fundamental, quantitative, smart beta and passive strategies. It immediately established itself as the go-to guide for practitioners in responsible investment's primary asset class, and to date has been downloaded nearly 20,000 times.

We also launched a project with the CFA Institute on a global study to determine how widely ESG factors are considered by mainstream investors. We believe this collaboration will determine the depth of the remaining barriers to ESG integration, particularly on the part of asset managers.

[READ MORE](#)

CASE STUDIES

Integrating diversity

Trillium Asset Management integrate diversity, including gender and race at the company and board level into their investment research process.

[READ MORE](#)

Linking ESG ratings to returns and volatility

New Amsterdam Partners analyse the correlation between ESG ratings and stock returns, volatility and risk-adjusted returns.

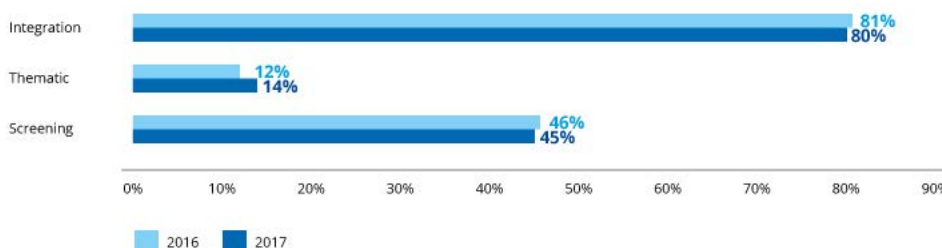
[READ MORE](#)

Understanding the materiality of tax avoidance

M&S Investment Management consider tax gaps when engaging with companies.

[READ MORE](#)

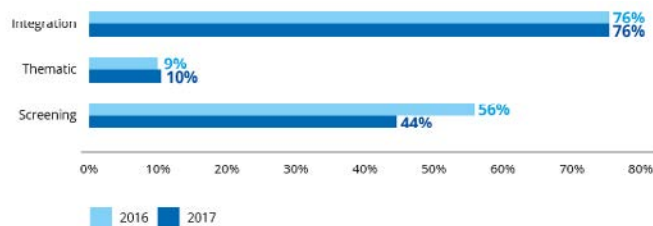
Active strategies employed by signatories for directly managed listed equity assets (% AUM)



PROMOTING SYSTEMATIC ESG CONSIDERATION IN CREDIT RATINGS

Building on the successful launch of the [ESG in Credit Ratings Statement](#), we developed the first in a three-part series on ESG factors in credit risk analysis. *Shifting perceptions: ESG credit risk and ratings – part 1: the state of play* looks at why ESG factors matter in credit risk analysis, what investors and CRAs are doing on the matter, and what their expectations are.

Active strategies employed by signatories for directly managed fixed income assets (% AUM)



[READ MORE](#)

In collaboration with the Alternative Investment Management Association (AIMA) and the Hedge Fund Standards Board (HFSB), we developed the first industry-standard due diligence questionnaire (DDQ) for hedge funds. The DDQ is a tool to assist asset owners in their process for selecting managers.

[READ MORE](#)

For private equity, to follow the limited partner responsible investment DDQ, we have been developing a fund terms guide to support their appointment efforts. We have also established a working group to start developing a monitoring tool.

Following a year-long consultation, we launched *Incorporating responsible investment into private equity fund terms*, the second in a trilogy of tools to help LPs in their manager selection, appointment and monitoring. It identifies current and emerging best practice – as well as the potential constraints – of incorporating responsible investment into private equity fund terms and offers practical steps to LPs and GPs considering it.

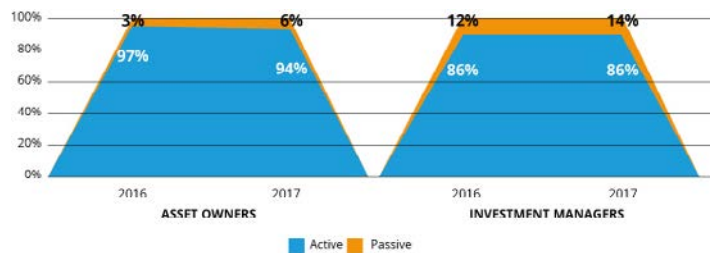
[READ MORE](#)

We launched a new infrastructure project to respond to the growing demand for sustainable infrastructure solutions in both developed and emerging markets. Through this project, we will provide industry guidance on incorporating ESG issues into infrastructure investing, share good practice and promote investment into low-carbon infrastructure.

[READ MORE](#)

It found that while there is tangible evidence of ESG consideration by investors and CRAs, they are at different stages in the process. The report suggests there is a way to go until it becomes standard practice.

Split of directly managed fixed income assets by active and passive strategies (% AUM)



KEY STATS

Proportion of directly and indirectly held assets managed by investment managers and asset owners respectively covered by responsible investment practices (% AUM)

Hedge funds

2016	AO: 63%	IM: 26%
2017	AO: 67%	IM: 38%

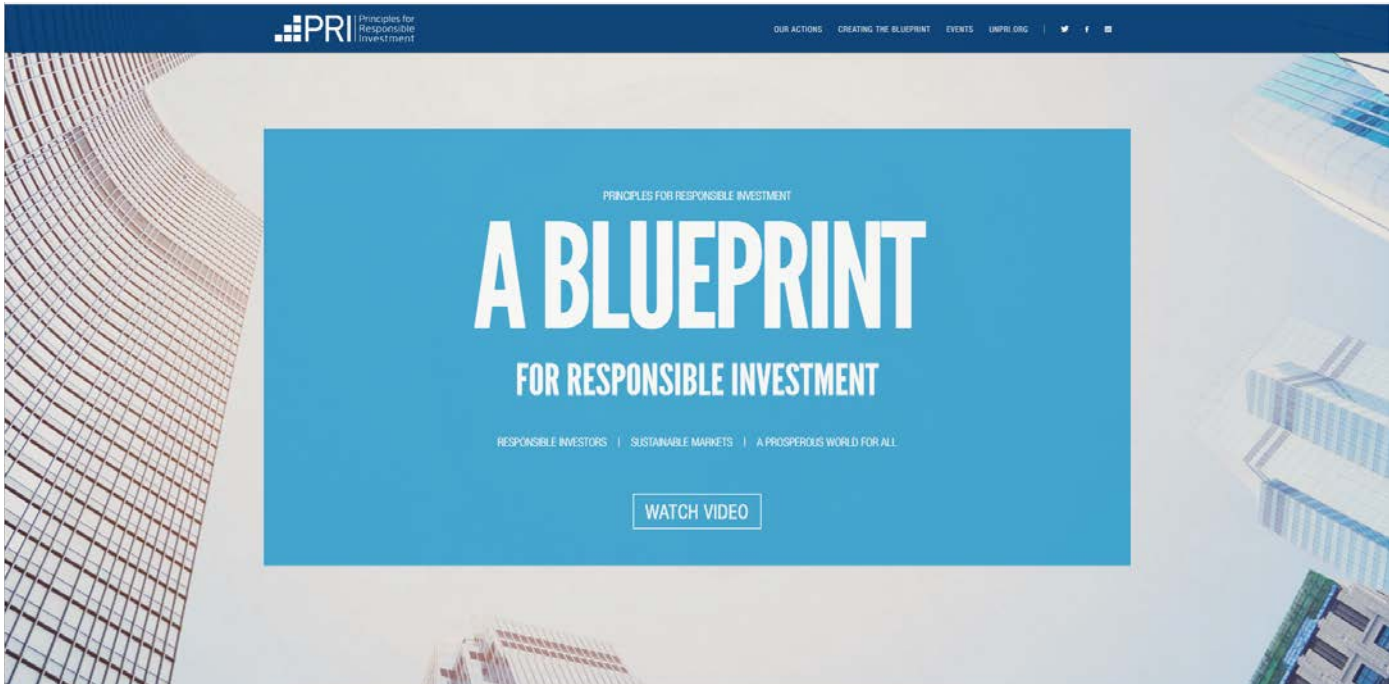
Private equity

2016	AO: 93%	IM: 73%
2017	AO: 90%	IM: 95%

Infrastructure

2016	AO: 90%	IM: 79%
2017	AO: 84%	IM: 95%

A BLUEPRINT FOR RESPONSIBLE INVESTMENT



THE PRI IS THE WORLD'S LEADING PROPONENT OF RESPONSIBLE INVESTMENT

Our aim over the next 10 years is to bring responsible investors together to work towards sustainable markets that contribute to a prosperous world for all.



OBJECTIVE 2

PROVIDE OPPORTUNITIES FOR SIGNATORIES TO CONVENE, SHARE KNOWLEDGE AND COLLABORATE

TO HELP SIGNATORIES COLLABORATE, WE PRODUCE RESOURCES, EVENTS AND ONLINE TOOLS TO HELP THEM WORK TOGETHER ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES.

ENVIRONMENTAL

We published *Engaging with oil and gas companies on fracking: an investor guide*. It details the results of a two-year engagement between 41 signatories representing US\$5.1 trillion and 37 companies. Following engagement, 87% of the companies improved their disclosure of fracking-related policies and practices.

[READ MORE](#)

Along with the Environmental Defense Fund (EDF), we released *An investor's guide to methane*. It provides a framework for investors to help them identify concrete next steps companies can take to improve management, benchmark company performance and engage on methane risks. The guide suggests that as part of their engagement, investors should expect all operators to measure, report and reduce methane emissions.

[READ MORE](#)

We joined forces with WWF Indonesia, WWF International and CLSA to arrange a trip for 22 global investors to meet with local palm oil companies and federal and provincial government in Indonesia. Investors spent three days discussing the challenges to making the palm oil industry more sustainable. They engaged with local companies and stakeholders in person, giving them a deeper understanding of the material risks associated with the industry.

[READ MORE](#)

SOCIAL

Following our engagement on labour practices in agricultural supply chains over 2014-2016, an evaluation of engagement results showed that 67% of engaged companies had improved their reporting and practices on labour standards. Lessons learned are available in the engagement guide *From poor working conditions to forced labour – what's hidden in your portfolio?*

In late 2016 we launched a second phase of the engagement focused on areas where companies are still lagging - such as supplier codes of conduct and corrective action.

[READ MORE](#)

IN CASE STUDY

Linking sustainable workplace practices and returns

ClearBridge Investments examined workplace practices to help competitively position an investee company in the retail sector

[FIND OUT MORE](#)

We published *ESG integration: how are social issues influencing investment decisions?* It contains case studies from a wide range of sectors, from retail to mining, highlighting methods investors can use to integrate social issues into listed equity investments. It demonstrates how a range of factors, from gender equality to workforce culture, can be applied to different integration techniques.

[READ MORE](#)

Since 2015, the PRI has managed a collaborative engagement with 53 investors representing more than \$7trillion AUM that focuses on encouraging global oil and gas and mining companies to implement the UN Guiding Principles on Business and Human rights, and to improve the level of disclosure of human rights policies and processes. In autumn 2017, the PRI will launch an outcomes document highlighting the results, key findings and trends.

[READ MORE](#)

GOVERNANCE

In 2013, we commissioned Transparency International to evaluate public disclosure on anti-bribery and corruption issues, which led to an investor engagement with 31 companies across multiple sectors; 94% of companies responded to contact. This resulted in “*Engaging on antibribery and corruption: a guide for investors and companies.*” (2016) It provides practical advice for investors on how to engage companies to bolster their anti-bribery and corruption policies and systems.

[READ MORE](#)

Following a collaborative engagement on the director nominations process, we launched a guide outlining the benefits and challenges of engagement on the issue in the US and France. It features best practices and lessons learnt from the engagement and underscores the need for investors to be proactive. The report finds that a blend of market forces and peer pressure, aided by investor engagement, are driving up standards in relation to how directors are appointed.

[READ MORE](#)

We convened a group of eleven investors from Europe, Asia and North America to explore the issue of corporate tax planning, leading to the production of Investors’ recommendations on corporate income tax disclosure. Developed from the 2015 *Engagement guidance on corporate tax responsibility*, it helps investors engage with companies by recommending a series of steps to increase tax transparency.

[READ MORE](#)

PODCASTS

4,309

The number of podcast downloads on ESG issues such as proxy access, labour standards and climate change...up from 900 the year before.

WORKING COLLABORATIVELY FOR CHANGE

THIS YEAR, WE INTRODUCED THE PRI VOTE DECLARATION SYSTEM, A PLATFORM THROUGH WHICH INVESTORS CAN ENHANCE TRANSPARENCY BY PRE-DECLARING THEIR VOTES DURING PROXY SEASON. SIGNATORIES CAN ALSO ENGAGE WITH OTHER ACTORS IN THE INVESTMENT CHAIN THROUGH THE PRI'S COLLABORATION PLATFORM, AN ONLINE TOOL TO FOSTER LONG-TERM VALUE CREATION THROUGH COLLABORATIVE ENGAGEMENT.



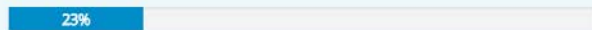
KEY STATS



of resolutions with at least one pre-declaration



increase in Collaboration Platform posts, against a KPI target of 6% ✓



of signatories active on the platform, against a KPI target of 25% ✗



awareness and acknowledgement among companies included in PRI-coordinated engagement activities, against a KPI target of 70% ✓



active ownership among listed equity assets, against a KPI target of 70% ✗

To counter this, we will be releasing guidance on how to implement Principle 2

HOT TOPICS ON THE COLLABORATION PLATFORM

Top ten issues catching signatory attention:

1. Climate change
2. Disclosure
3. Board-related issues
4. Lobbying/political donation
5. Employee relations/diversity
6. Emissions reduction
7. Human rights
8. Waste and pollution
9. Shareholder rights
10. Remuneration

PRI in Person

618

TOTAL ATTENDEES

40

% OF ATTENDEES FROM ASIA

100

SPEAKERS

92

% POSITIVE RATE



China's efforts in establishing a green financial system

"There's tremendous scope for scaling up green finance and green investment."

Dr Ma Jun, Chief Economist, Research Bureau, People's Bank of China



A blueprint for responsible investment

"It's important to have an ambitious plan and a sense of urgency about what we want to achieve."

Angela Emslie, Chair, HESTA

BRINGING THE WORLD'S LEADING RI CONFERENCE BACK TO ASIA

For the first time since 2008, PRI in Person returned to Asia, marking responsible investment's growing momentum in the continent. Over 600 delegates from 33 countries descended on Marina Bay Sands in Singapore. 92% of attendees rated their experience as either 'good' or 'excellent'.

"It was inspiring...I can feel the sense of change going forward."

As the PRI turned 10, the conference provided an ideal opportunity to discuss the future of responsible investment. There were a number of themes discussed during keynote speeches and breakout sessions including:

- how future generations will influence investment;
- the transition to a green economy;
- the Sustainable Development Goals;
- the *Blueprint for responsible investment* and how the PRI will shape the industry.

READ MORE

EVENTS AROUND THE WORLD

AS WELL AS PRI IN PERSON, WE CONTINUED TO DELIVER OTHER EVENTS ON A WIDE RANGE OF TOPICS INCLUDING CLIMATE CHANGE, IMPACT INVESTING, GREEN BONDS AND CONNECTING HUMAN RIGHTS TO FINANCIAL PERFORMANCE. TO INFORM OUR *BLUEPRINT FOR RESPONSIBLE INVESTMENT*, WE ALSO HELD OVER 20 WORKSHOPS AND ROUNDTABLES AROUND THE WORLD WITH SIGNATORIES.



49% of signatories participated in events during the year, against a KPI target of 70%

We are working to strengthen our regional reach and communications.

[READ MORE](#)

OBJECTIVE 3

ENGAGE AND FACILITATE DIALOGUE WITH KEY DECISION-MAKERS

WE PROVIDE TOOLS AND INSIGHT TO INTERNATIONAL STANDARD SETTERS, SIGNATORIES AND POLICY MAKERS TO ADVANCE PROGRESS TOWARDS A REGULATORY AND INVESTMENT ENVIRONMENT CONSISTENT WITH THE SIX PRINCIPLES.

CREATING A SUSTAINABLE FINANCIAL SYSTEM

To realise our Mission, as well as our goals in the Blueprint, we launched our Sustainable Financial System programme. It was established to better align the financial system with sustainable and equitable economies. It will focus on an enabling environment for a sustainable system, something we aim to achieve through addressing nine key risks and challenges we believe could undermine a sustainable financial system.

[READ MORE](#)

We were appointed by the European Commission to serve as an international observer on its newly-founded High-Level Expert Group. This ambitious project made up of 20 policy leaders from civil society, finance and academia will provide recommendations about how to fully integrate sustainability into EU capital markets.

[READ MORE](#)

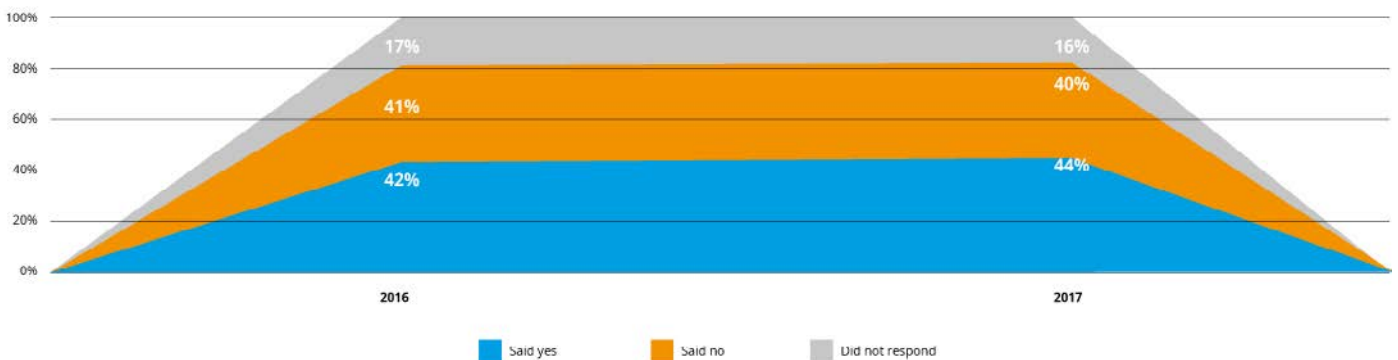
SENDING A CLEAR SIGNAL ON FIDUCIARY DUTY

Our flagship report Fiduciary duty in the 21st century found that failing to consider long-term investment drivers, including ESG factors, is a failure of fiduciary duty. Despite significant progress, many investors have yet to fully integrate ESG issues into their investment decision-making processes. To tackle this, we worked on numerous projects:

We published roadmaps with country-specific recommendations for implementing clear and accountable policy that embraces fiduciary duty. Extensive consultation fed into recommendations for the UK, the US, Brazil, Japan, South Africa, Canada and Australia.

[READ MORE](#)

Signatories responding to Reporting Framework indicating engagement with policy makers



122 investors signed our Statement on investor obligations and duties. It calls on international policymakers and national governments to clarify the obligations and duties of investors and other organisations in the investment system.

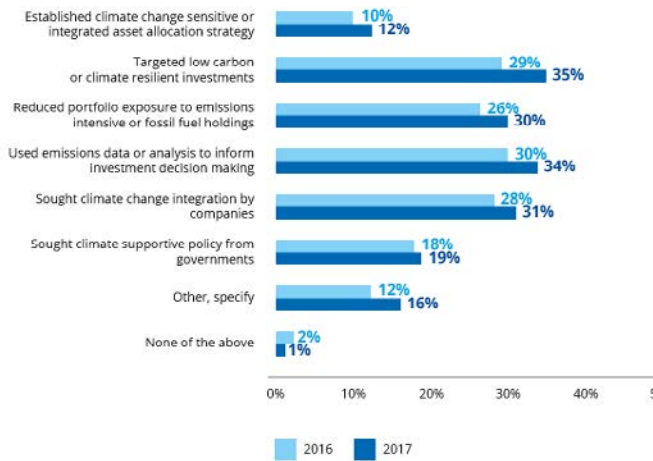
[SIGN](#)

We analysed the barriers to ESG integration in Singapore, South Korea, India, China, Hong Kong and Malaysia. Investor obligations and duties in six Asian markets was based on a review of investment practice in each country, current regulation and over 50 interviews with policy makers, investors and stakeholders.

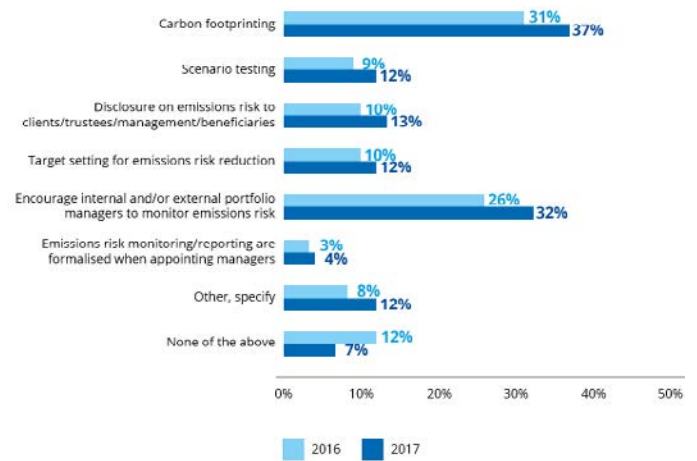
[DOWNLOAD](#)

ADVANCING THE GREEN AGENDA

Activities signatories report they undertake to combat climate change



Tools signatories report they use to combat climate change



- We contributed to the new G20 Green Finance Study Group as a knowledge partner on institutional investors, alongside UNEP FI. We called on institutional investors across the G20 to feed into the PRI study by telling us the top three to five barriers institutional investors across the G20 face when it comes to scaling up green investments.
- The G20 went on to recommend that to help tackle systemic financial issues globally, the PRI should expand.
- The FSB Task Force on Climate-related Financial Disclosures incorporated the PRI's proposals on investor obligations on climate change into its draft recommendations.
- We released [Green equity investing](#) at COP22. It includes 10 case studies of investors integrating green risks and opportunities.

Case Studies

Assessing the revenue impacts of the SDGs
Alliance Trust Investments examine how revenue can be driven by SDG themes.

[READ MORE](#)

Developing low-carbon indexes

MSCI created indexes to help institutional investors decarbonise their portfolios.

[READ MORE](#)

FEEDING INTO POLICY CONSULTATIONS

We contributed to 21 policy consultations - up from 11 last year - against a KPI target of 20

The PRI operates a very active policy engagement hub for responsible investment-related regulation in 12 countries and three international institutions. We commented on consultations related to carbon portfolio reporting in France, as well as corporate governance codes in Brazil.

We are currently seeking policy progress on:

- clarification of fiduciary duty;
- ESG disclosure by corporations;
- stock exchange ESG reporting and sustainable investment product listing guidelines;
- alignment of financial and sustainability policy frameworks;
- climate-related disclosures;
- green finance market guidelines;
- corporate governance and stewardship frameworks.

[READ MORE](#)

OBJECTIVE 4

FACILITATE COLLABORATION BETWEEN ACADEMICS AND INVESTORS AND USE OUR KNOWLEDGE TO EDUCATE

WE BRING INVESTORS AND ACADEMICS TOGETHER BY SPONSORING PRACTITIONER-FOCUSED RESEARCH AND BRINGING THE BEST INSIGHTS FROM ACADEMIC RESEARCH TO INVESTORS.

SUPPORTING RESEARCH



We commissioned two projects from our calls for research on the factors for success in corporate engagement:

- Inclusive capitalism: the impact of global shareholder engagements.
- How institutional investors' collective engagement on ESG issues create value for investors and corporations: a configurational analysis.

The findings will be presented at PRI in Person in Berlin.

We also supported research through our calls for papers on:

- working to achieve a sustainable financial system;
- ESG integration;
- the role of responsible investment in meeting today's investment challenges;
- ESG engagement.

Award categories are most outstanding research – qualitative; most outstanding research – quantitative; and best student paper.

LINKING SOCIAL ISSUES TO INVESTOR ACTION

Findings from a series of roundtables and a discussion paper launched with the Initiative for Responsible Investment at the Harvard Kennedy School will inform an investor guide on how investors can respond to economic inequality. It will discuss:

- impact on economic growth;
- efforts to mitigate inequality;
- financialisation;
- the role of investors in policy discussions.

[READ MORE](#)

We presented a discussion paper which summarised a research initiative exploring financial risks and investment materiality linked to human rights.

[DOWNLOAD](#)

CONNECTING ACADEMICS AND INVESTORS

To link academics with investors we:

Will hold the Academic Network Conference alongside PRI in Person in Berlin this September. In collaboration with the University of Hamburg and sponsored by Union Investments, the ninth conference will focus on the latest responsible investment research. Through networking opportunities, we will link over 2,000 academics, investors and policy makers from around the world.

[READ MORE](#)

Have published new editions of our academic research magazine, RI Quarterly. It distils key findings from academic research for investors into bite-size chunks. Among other topics, this year we analysed COP22; how ESG investing can affect financial performance; and the future of fintech.

Economic inequality is the financial equivalent of high blood pressure: it affects the whole body and suggests problems elsewhere.

RI Quarterly - issue #10

RI TRAINING ON DEMAND

THE PRI ACADEMY PROVIDES CFA-ACCREDITED ONLINE TRAINING ON HOW ESG ISSUES IMPACT COMPANY PERFORMANCE, SHAREHOLDER VALUE AND INVESTMENT DECISIONS. TRAINING IS COMPLETELY WEB-BASED, MEANING STUDENTS CAN START AND FINISH AT THEIR OWN CONVENIENCE.



The Academy offers three courses:

 RI Fundamentals which provides three hours of training outlining the business case for investing responsibly.	 RI Essentials which focuses on the identification and implementation of ESG factors into investment decisions.	 Enhanced financial analysis which explores the use of sustainability data in investment analysis.
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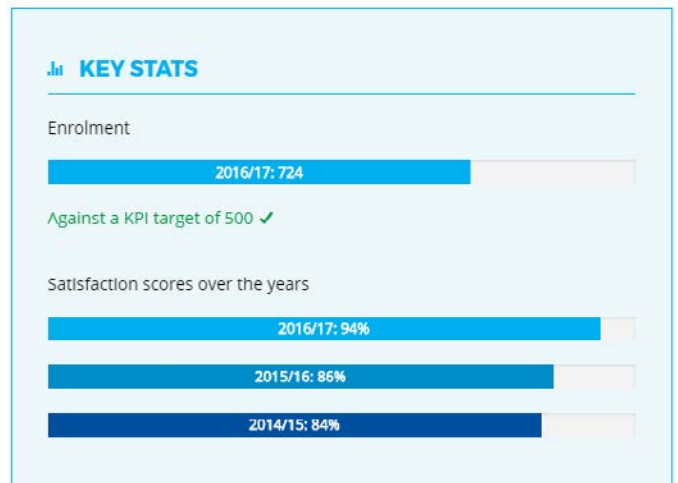
ON THE UP

It has been an incredibly successful year for the Academy. Now in its third year, we enrolled 724 students between 2016/17 – nearly a 25% increase on 2015/16.

We continue to go from strength to strength in other ways too. Student satisfaction scores have reached an all-time high of 94%, up ten percentage points from 2014/15.

In addition to this, 85% of Academy users said they would purchase another product from us and 76% said they would recommend us to a friend. This is commensurate with the sustained growth we have seen in the past three years.

[REQUEST A DEMO AND START LEARNING](#)



OBJECTIVE 5

ENHANCE SIGNATORY ACCOUNTABILITY MECHANISMS

THE REPORTING AND ASSESSMENT FRAMEWORK NOT ONLY ENSURES OUR SIGNATORIES FULFIL OUR SIXTH PRINCIPLE, IT PROVIDES THE TRANSPARENCY AND ACCOUNTABILITY THAT IS FUNDAMENTAL TO THE PRI'S MISSION.

47,188

DOWNLOADS
of Transparency Reports

1,926

QUERIES ANSWERED
via the R&A helpdesk

23

% OF ASSET OWNERS
voluntarily disclosed their activities

17

% OF INVESTMENT MANAGERS
voluntarily disclosed their activities

EMPOWERING ASSET OWNERS

We introduced the first phase of our Data Portal. This web-based tool enables signatories to search, view, request, access and export responsible investment and assessment reports. The tool strengthens our commitment to transparency and will:

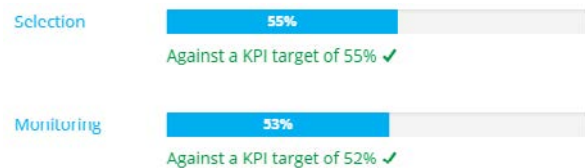
- empower asset owners to engage with their managers by easily viewing and compiling data;
- promote sharing of best practice;
- help signatories to work together to enhance decision making.

[READ MORE](#)

We updated our manager selection, appointment and monitoring reporting module. The new module has more targeted indicators to, among other outcomes, provide a clearer link between the ESG position at a portfolio level and risk and return; and an increased understanding of the role of asset consultants.

[DOWNLOAD](#)

Asset owners considering ESG/active ownership in the selection and/or monitoring of external managers



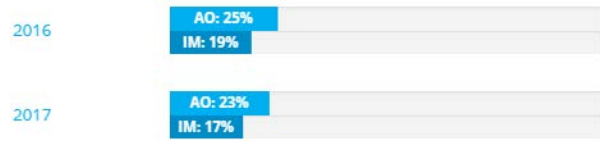
USHERING IN A NEW ERA OF ACCOUNTABILITY

To guarantee that all our signatories are being held to the same level of accountability, this year we introduced the Service Provider Reporting Framework. Developed through direct engagement with 35 service providers, it will:

- allow service providers to demonstrate their commitment to the Principles;
- give investors improved access to service provider information with comparable reports;
- respond to service provider desire to communicate their RI activities.
- Although it was introduced on a voluntary basis, with next year's reporting mandatory, service providers embraced it, with 29% of service provider signatories responding.

[READ MORE](#)

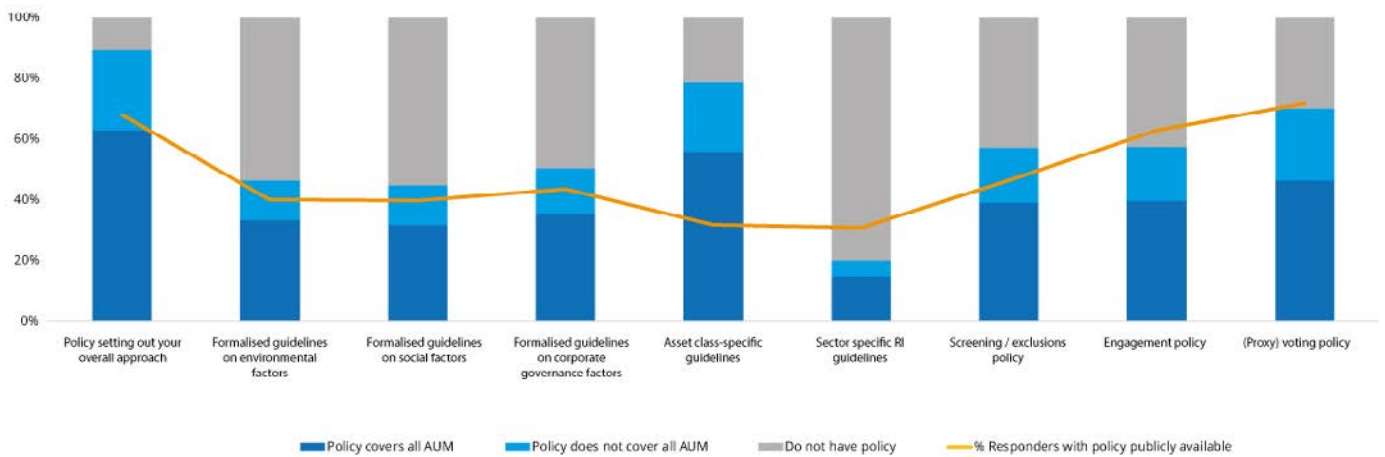
Percentage of signatories disclosing on voluntary reporting indicators



Increased accountability is one of the focus areas of our *Blueprint* – of our signatories, but also ourselves. We announced last year that we will introduce measures to delist signatories that do not demonstrate a minimum standard of responsible investment activity. This will ensure that each individual signatory is accountable and guarantee that the PRI remains relevant to investors. We will confirm the methodology for minimum requirements by the end of 2017.

[READ MORE](#)

Policy components and public disclosure of policy



We introduced the Assurance Working Group. Assurance and verification of data reported to the PRI is regularly the subject of signatory queries. We believe the new working group will help advance accountability and transparency of data; ensure the credibility and consistency of Reporting Framework responses; and build greater stakeholder confidence.

[READ MORE](#)

FOCUSING ON CLIMATE

Our signatories tell us that climate change is the biggest ESG risk they face; in fact, 74% and 63% of asset owner and investment manager signatories view it as a long-term risk. To respond to this, we will align climate reporting in the 2017/18 reporting cycle with the FSB Task Force on Climate-related Financial Disclosures recommendations.



[READ MORE](#)

OBJECTIVE 6

STRENGTHEN THE PRI VOICE AND BRAND

OUR SPOKESPEOPLE ARE REGULARLY FEATURED IN INTERNATIONAL PRINT, TRADE AND BROADCAST MEDIA. WE HAVE ALSO SIGNIFICANTLY GROWN OUR SOCIAL MEDIA ACTIVITIES IN THE PAST YEAR, ALLOWING US TO ENGAGE WITH BOTH ESTABLISHED AND NEW AUDIENCES.

134

MENTIONS IN THE MAINSTREAM PRESS

against a KPI target of 40 ✓

5,097

SOCIAL MEDIA SHARES

against a KPI target of 4,000 ✓

20+

BYLINED ARTICLES

against a KPI target of 4 ✓

66

% INCREASE

in social media engagement

In addition to international, regional and industry coverage of PRI Managing Director Fiona Reynolds and PRI Chair Martin Skancke, PRI directors and other staff members have been positioned as thought leaders to provide a deeper expert commentary in the press. Along with commenting on key international topics such as climate change, green bonds, tax and executive pay, we showcased our work on credit ratings agencies, the role of trustees and ESG factors in alternative investments such as hedge funds.

We also commented extensively on the growth of ESG issues in Asia, appearing in the Nikkei Asian Review, AsianInvestor, South China Morning Post, Citywire Asia and Asia Asset Management.

We have also seen tremendous growth in our social media engagement. We gained 42% more Twitter followers, with an overall engagement increase across all channels of 66%.

STANDOUT COVERAGE



Sustainability's New Frontier: Asia

Wall Street Journal



US companies warn tax avoidance crackdown will hit earnings

Financial Times



Investors Seek Transparency Amid Shifting Tax Policies

Bloomberg



Pressure grows to ditch coal stocks

Financial Times



Asset owners slowly embrace ESG strategies

Asianinvestor



ESG is new buzzword for listed firms, investors in HK, Asia as regulations tighten

South China Morning Post



Top quotes from global SRI conference in Singapore

Citywire Asia



Investors urge G20 nations to ratify Paris Agreement

Asia Asset Management



Verantwortungsvolle Überrenditen

Boersen-Zeitung



Principi etici dell'Onu. Chi controlla?

Il Sole 24 Ore

[READ MORE](#)

OBJECTIVE 7









STRENGTHEN CAPACITY AND EXPERTISE IN KEY MARKETS

TO SUPPORT OUR RAPIDLY-GROWING SIGNATORY BASE AND TO ENSURE WE HAVE IMPACT GLOBALLY, WE'VE RESTRUCTURED AND GROWN OUR NETWORKS TEAM. THIS WILL ENSURE THAT OUR SIGNATORIES CONTINUE TO HAVE THE ROBUST SUPPORT THEY NEED TO IMPLEMENT THE PRINCIPLES, AS WELL AS USING LOCAL EXPERTISE TO ESTABLISH A STRONGER LOCAL VOICE IN KEY MARKETS.

Our teams serve PRI networks around the world from Japan to Brazil. Among other priorities, they work to ensure that signatories are fully supported in their implementation of the Principles, encourage signatories to get involved in PRI activities and address local regulatory issues.

[READ MORE](#)

REGIONAL NETWORKS

AMERICAS	EMEA	ASIA PACIFIC	OPERATIONS
 <p>AMERICAS Chris Fowle Head of Americas</p>	 <p>US Carol Jeppesen Snr Network Manager</p>	 <p>US Ophir Brock Network Manager</p>	 <p>US John Du Associate</p>
 <p>CANADA Nalini Geoullotley Head of Canada</p>	 <p>CANADA Kelly Krauter* Associate</p>	 <p>LATIN AMERICA Tatiana Assali Head of Latin America</p>	 <p>LATIN AMERICA Michelle Vargas* Associate</p>

*Members of staff on contracts of 2.5 days a week or less

AMERICAS	EMEA	ASIA PACIFIC	OPERATIONS
----------	-------------	--------------	------------



CONT. EUROPE
Dustin Neuneyer
Head of Continental Europe



BENELUX
Don Gerritsen
Head of Benelux



DACH
Melanie Kebleck
Network Manager, DACH



FRANCE AND SOUTHERN EUROPE
Marie Luchet
Head France and Southern Europe



NORDIC, CEE AND CIS
Yulia Sofronova
Head of Nordics, CEE and CIS



UK AND IRELAND
Anastasia Guha
Head of UK and Ireland



UK AND IRELAND
Gregory Kearney
Network Manager



AFRICA
Adrian Bertrand*
Head of Africa

*Members of staff on contracts of 2.5 days a week or less

AMERICAS	EMEA	ASIA PACIFIC	OPERATIONS
----------	------	---------------------	------------



JAPAN
Michiyo Morisawa*
Head of Japan



JAPAN
Kaori Nomura*
Associate



JAPAN
Minako Yoneyama
Network Manager



ASIA (ex Japan)
James Robertson
Network Manager



AUSTRALASIA
Matthew McAdam
Head of Australia and New Zealand

*Members of staff on contracts of 2.5 days a week or less

- AMERICAS
- EMEA
- ASIA PACIFIC
- OPERATIONS**



GLOBAL
Graeme Griffiths
Co-Director



GLOBAL
Lorenzo Saa
Co-Director



GLOBAL
Nikolaj Halkjaer
Pedersen
Head of Central
Support



GLOBAL
Alex Caldwell
Associate



GLOBAL
Ben Lebligu
Associate
(Starting September
2017)

*Members of staff on contracts of 2.5 days a week or less

WORKING GLOBALLY, THINKING LOCALLY

To enhance relationships with signatories and help realise our ambitious recruitment targets, we restructured and grew the networks team in the following regions. In addition to this, we enhanced language capabilities in the team and translated more documents into languages other than English. This will help us penetrate markets and enable signatories to make better use of our resources.

US

We went from one full-time member of staff to four in this key market, where nearly a fifth of our signatories are based, boosting resources to ensure that our US signatories have the support they need.

[GET IN TOUCH](#)

Canada

For the first time, we have a Canada network manager on the ground who will manage signatory relationships across the country and lead the local strategy.

[GET IN TOUCH](#)

Australia

A physical presence in Australia means we can deepen relationships with our Australian signatory base and focus on local issues.

[GET IN TOUCH](#)

France and Southern Europe

We introduced the Head of France and Southern Europe role to manage relationships with our robust French signatory base, and support growing ESG interest in markets such as Spain and Italy.

[GET IN TOUCH](#)

Central and Eastern Europe and Commonwealth of Independent States

We strengthened resources in Central and Eastern Europe and the Commonwealth of Independent States.

[GET IN TOUCH](#)

OBJECTIVE 8

INCREASE REPRESENTATION AND PARTICIPATION OF ASSET OWNERS

THE ROLE THAT ASSET OWNERS PLAY IS FUNDAMENTAL TO THE RESPONSIBLE INVESTMENT AGENDA. THE INFLUENCE THEY EXERT OVER THE INVESTMENT CHAIN MEANS THEY ARE AT THE CORE OF WHAT WE DO.

We were delighted to welcome 43 new asset owner signatories last year, taking our total to 346. Our overall signatory base has expanded since the previous year, with 289 new signatories, a net growth of 14%, our largest in five years.

43

NEW ASSET OWNERS

against a KPI target of 35 ✓

14

% NET SIGNATORY GROWTH

6.4

US\$ TRILLION IN AUM ADDED

FOCUSED RECRUITMENT*

We took a systematic approach to signatory recruitment by identifying and engaging with non-signatory asset owners. In Japan, we built on our previous success of recruiting Japan's Government Pension Investment Fund (GPIF) by welcoming the Development Bank of Japan, Daido Life Insurance Company, Pension Fund Association and Nippon Life Insurance Company.

In many cases, recruitment across the globe was the result of a multi-year, coordinated effort from within the PRI.

*This section has been amended to remove references to ChinaAMC, which is an investment manager not an asset owner, and to there being 13 new signatories in Asia excluding Japan, as this was the total number of new signatories for the region, not the number of new asset owners.

ENGAGING TO DRIVE IMPACT

We carried out more than 200 development sessions around the globe where we engaged with signatories, setting out steps they could take to better implement the Principles. We also held introductory calls with 75% of new signatories.

In addition, we launched a number of resources aimed at asset owners:

Investment policy: process and practice, a guide for asset owners, provides concrete, step-by-step guidance on how asset owners should be integrating ESG factors into their investment decisions. It offers a precise and implementable framework for integrating all material ESG considerations into investment policy.

[READ MORE](#)

A practical guide to ESG integration for equity investing guides asset owners who are implementing ESG integration techniques in their investment decisions on assessing external managers' integration practices throughout their

Asset owner breakdown by type

Asset category (all AO signatories)	Count	Percentage
Corp. pension/super/retire/provident	71	20.52%
Development finance institution	10	2.89%
Endowment	21	6.07%
Family office	3	0.87%
Foundation	29	8.38%
Insurance company	49	14.16%
Non corp. pension/super/retire/provident	126	36.42%
Other	18	5.20%
Reserve - sovereign or government controlled fund	19	5.49%
Grand total	346	100.00%

existing selection, appointment and monitoring process. It includes guidance on how to gain a good understanding of the manager's investment approach and performance, risk management, stock selection and portfolio construction.

[READ MORE](#)

We released a working draft of our guide on investment strategy for investor comment. The upcoming final guide will support asset owners, including their board of trustees and executives, in developing and formulating their investment strategy, including how to incorporate responsible investment considerations.

[READ MORE](#)

We introduced the Data Portal, an online tool that empowers asset owners to engage with their managers.

[READ MORE](#)

NEW ASSET OWNER SIGNATORIES

We are delighted to welcome the following asset owners to the PRI:

- Ahold Pensioenfonds
- ATP
- BNP Paribas Cardif
- Bpf Bouw Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid
- Brasilprev Seguros e Previdência
- Daido Life Insurance Company
- Development Bank of Japan
- Die Bayerische
- GRUPO FINANCIERO BANORTE S A B DE C V
- Ithmar Capital
- Jeremy Collier Foundation
- Juniata College
- Kent County Council Superannuation Fund
- Khazanah Nasional Berhad
- MACIF
- MAPFRE, SA
- Movestic Livförsäkring AB
- Natixis Assurances
- Niederösterreichische Vorsorgekasse AG
- Nippon Life Insurance Company
- Northwestern University
- P+ (DIP/JOEP)
- Peninsula Participações
- Pensioenfonds PGB
- Pension Fund Association
- PFA Pension
- PKA
- Rockefeller Brothers Fund
- Sampension Administration A/S
- SEB Life and Pension
- Stichting Pensioenfonds Blue Sky Group
- Stichting Pensioenfonds van de ABN AMRO Bank N.V.
- The Consolidated Retirement Fund for Local Government
- The Nobel Foundation
- The University of Maryland Foundation, Inc
- Thompson Rivers University
- Transport for London Pension Fund
- Unipol Gruppo Finanziario S.p.A - UnipolSai Assicurazioni
- UNIVERSITÉ DE MONTRÉAL (FONDS DE DOTATION)
- University of the Arts London
- University of Toronto AM Corporation (re University of Toronto Pension Plan)
- University of Toronto AM Corporation (re University of Toronto Endowment)
- World Resources Institute

OBJECTIVE 9

COLLABORATE WITH KEY STAKEHOLDERS TO FURTHER OUR MISSION

WE COLLABORATE WITH STAKEHOLDERS THROUGHOUT FINANCE, SUSTAINABILITY AND RESPONSIBLE INVESTMENT TO ALIGN STRATEGIES AND ACTIVITIES.

Among other projects, this year we have:

REPRESENTED THE INVESTOR VOICE AT COP22

We emphasised the importance of investor action to tackle climate change in Marrakech at COP22. To do this, we:

co-organised an event in collaboration with IIGCC, Ceres, UNEP FI, Carbon Tracker Initiative, IGCC and AIGCC about managing climate risk and seizing low-carbon opportunities; formally announced a deforestation partnership with Ceres; supported the launch of a [UN Global Compact platform](#) to mobilise business action to support The Paris Agreement.

HIGHLIGHTED POLICY ACTION TO PROMOTE SUSTAINABLE FINANCE

With MSCI, we released the Global guide to responsible investment regulation. It analysed almost 300 pieces of regulation covering pension fund rules, stewardship codes and corporate disclosure rules and found a strong correlation between responsible investment regulation and better ESG risk management by companies.

“This report raises important questions about the role and impact of policy action to promote sustainable finance [...] it’s clear that policymakers and regulators worldwide can send stronger signals to the finance industry about the importance of ESG issues.”

Frank Elderson, Executive Director, Pension Fund Supervision, De Nederlandsche Bank

READ MORE



TACKLING THE RISE OF DEFORESTATION

With Ceres, we launched a joint initiative, funded by the Gordon & Betty Moore Foundation, through which investors will engage with companies that purchase or produce cattle and soy products, which are contributing to the rise in deforestation in Latin America. We also set up a deforestation advisory committee and working group.

[READ MORE](#)

ADVANCED RESPONSIBLE INVESTMENT PRACTICES

We worked with the OECD during the development of their paper on Responsible Business Conduct for Institutional Investors, which highlights recommendations for investor due diligence in relation to the OECD Guidelines for Multinational Enterprises.

Following the release of the paper, the PRI, with Aviva, is supporting a collaborative engagement with companies where instances of severe social and environmental impacts have been brought to OECD National Contact Points.

[READ MORE](#)

COLLABORATED WITH OUR TWO UN PARTNERS

Some of our biggest projects involving key PRI stakeholders also involve the work of our two UN partners, UNEP Finance Initiative and UN Global Compact.

[READ MORE](#)

OBJECTIVE 10

DEEPEN AND STRENGTHEN OUR RELATIONSHIP WITH UN PARTNERS

THE PRI IS AN INVESTOR INITIATIVE IN PARTNERSHIP WITH THE UNEP FINANCE INITIATIVE (UNEP FI) AND THE UN GLOBAL COMPACT.

DRIVING FORWARD A NEW GLOBAL AGENDA



As laid out in our Blueprint for responsible investment, we will align our work with the UN's Sustainable Development Goals (SDGs).

The SDGs require signatories to move from a process-based approach of material ESG integration towards an outcomes-based approach that, while achieving market-rate return on investment, explicitly aims to contribute to the sustainability challenges put forward by the SDGs.

The public sector cannot fulfil the SDGs alone. PRI signatories – who represent one third of global private capital – will be a critical part of the private sector's contribution.

This year we set up an SDG advisory committee and developed an SDG work programme to formalise our commitment to the goals and guide our work on them. As part of the plan we will:

- promote investor collaboration on the SDGs;
- provide guidance on how to integrate the SDGs in investment strategies, policies and decisions;
- develop our SFS programme.

[READ MORE](#)

COLLABORATING TO FURTHER CLIMATE ACTION

We worked with our UN partners at COP22 to represent the investor voice in relation to climate change. We:

- supported the launch of a UN Global Compact platform to mobilise business action to support The Paris Agreement.
- co-organised an event in collaboration with IIGCC, Ceres, UNEP FI, Carbon Tracker Initiative, IGCC and AIGCC about managing climate risk and seizing low-carbon opportunities.

We also worked with UN Global Compact on signatory roundtables in Rio de Janeiro and São Paulo on the impact of collaborative engagement on water. In addition to this, UNEPFI and the UN Global Compact have supported the Montreal Carbon Pledge and the energy transition more broadly through ongoing investor engagement and we worked with UN Global Compact on signatory roundtables in Rio de Janeiro and Sao Paulo on the impact of collaborative engagement on water.

We also coordinated a letter with nearly 400 investors representing more than US\$22 trillion in assets to the G7 and G20 heads of state urging governments to stand by their commitment to the Paris Agreement.

[READ MORE](#)

FIDUCIARY DUTY

We worked with UNEP FI and the Generation Foundation on our Fiduciary Duty in the 21st Century project. Some institutional investors believe that ESG issues are not relevant to portfolio value - but this assumption is no longer supported. We worked collaboratively to mobilise investors to uphold the full remit of fiduciary duty and take account of material sustainability factors in investment practices.

[READ MORE](#)

CHAMPIONING GENDER EQUALITY

The Sustainable Stock Exchanges initiative, in partnership with Emerging Market Sustainability Dialogues of GIZ released the report, *How can stock exchanges advance gender equality?* It frames the state of gender equality globally and provides case studies across exchanges in 13 markets. It found that exchanges are advancing gender equality through incentives such as listing requirements, voluntary guidance documents, investment products and internal policies.

[READ MORE](#)

iii CASE STUDIES

Regulating gender equality across listed companies

The Hong Kong Stock Exchange supports the advancement of gender equality through awareness-raising programmes and financial education for women and girls.

[FIND OUT MORE](#)

High-level diversity disclosure

The Johannesburg Stock Exchange SRI Index includes indicators around disclosure of diversity at board and staff level.

[FIND OUT MORE](#)

MOBILISING A MULTI-TRILLION-DOLLAR INDUSTRY

Along with UN Global Compact, we issued a call to action to CEOs, urging them to ensure their corporate pension plans – an untapped sustainability area – are mirroring their own company's sustainability agenda. In *Aligning values: why corporate pension plans should mirror their sponsors*, we highlighted concrete benefits of doing so, including boosting corporate sponsor credibility and potential enhanced returns.

[READ MORE](#)

OBJECTIVE 11

ENHANCE CAPACITY FOR TRANSPARENCY AND COLLABORATION THROUGH PRI INFRASTRUCTURE

TO ENSURE WE MEET THE NEEDS OF OUR SIGNATORIES THROUGH ALL OUR PLATFORMS, WE HAVE ENHANCED OUR DIGITAL OFFERING.

ENCOURAGING TRANSPARENCY

To empower asset owners to engage with their managers, we launched the Data Portal. This digital tool encourages accountability through the sharing of Transparency and Assessment Reports among signatories. Asset owner and investment manager signatories can use it to search, group and request access to Transparency and Assessment Reports. Service providers will receive more access at a later stage.

The online tool enables informed decision making and supports asset owner engagement with managers.

[LOG IN](#)

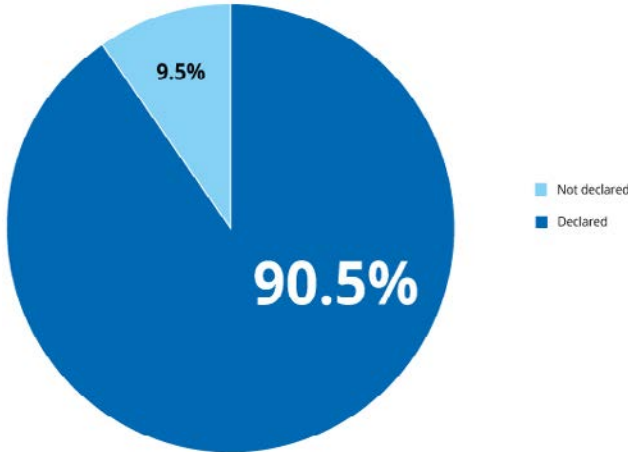
ENHANCING COLLABORATION DURING PROXY SEASON

We developed our proxy vote declaration system, an online platform through which investors can pre-declare their voting intentions on resolutions filed or co-filed by PRI signatories. Voting intentions were then communicated via our Collaboration Platform on the PRI website, and the PRI's weekly resolution newsletter.

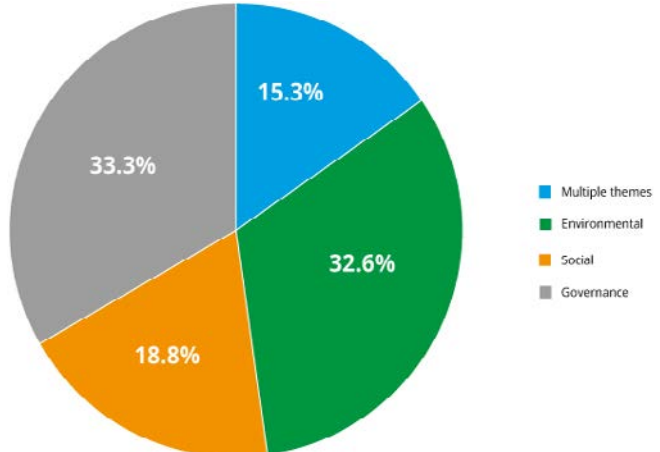
Investors representing US\$2.7 trillion pre-declared their intentions, with 90.5% of resolutions available on the platform covered by at least one pre-declaration.

[ACCESS](#)

Shareholder resolutions on which investors declared their voting intentions*



Shareholder resolutions on the vote declaration system by ESG theme



*Including only shareholder resolutions that were voted on at AGM. Resolutions that were withdrawn or omitted are not included.

ATTRACT, RETAIN AND DEVELOP THE REQUIRED HUMAN CAPITAL

PUTTING PEOPLE AT OUR CORE.

CHAMPIONING OUR MOST IMPORTANT ASSET

The PRI has undergone sustained growth over the past ten years. We now have over 90 members of staff (15% of which are located outside our London base) supporting a global and rapidly-expanding signatory base. This growth is expected to accelerate in the coming years.

Our last employee engagement survey in 2015 reported a 75% engagement rate. As our staff are our most important asset, we want to build on this and ensure that they are effectively supported – now and for the next decade.

As we look to the PRI's next ten years, we need to guarantee we are set up to promote systemic change and champion our expanding employee base as best we can. To do this, we have taken a more structured approach to HR.

We recruited our first ever Director of People and Culture. This role was created to construct and implement the PRI's HR strategy, as well as manage HR practices across all our offices, ensuring all staff are united by one vision. This marked an important step in our evolution as we start to formalise our HR practices with a more defined framework.

As well as our first Director of People and Culture, we also hired our first Chief Operating Officer (COO). The COO will coordinate projects across the organisation, helping to prioritise objectives and making sure our staff across the globe work under one strategy. With this more streamlined approach and a stronger director group, we will be more responsive to our signatories' needs, now and in the future.

Our staff are our most important asset. We want to ensure they are effectively supported – now and for the next decade.

ESG-FOCUSED

We're dedicated to leading by example on the ESG front. For example:

- the PRI's London base is ISO-certified;
- we are accredited as a Living Wage Employer and are against unpaid internships;
- we held staff events for Mental Health Awareness Day in the UK and International Women's Day;
- our staff is exactly 50% male and 50% female, meeting our KPI target;
- the PRI Board is made up of 55% elected women;
- we are committed to ensuring diversity of opinion and experience across our staff members. In 2015/16, three quarters of PRI staff were under the age of 40. We have improved on that figure this year, with 3% fewer staff members between 20-29 and 8% more between 30-39.

A PEOPLE-FIRST CULTURE

Our mission-driven culture means that our staff are motivated, passionate and committed to responsible investment.

Maintaining this culture will be crucial as we grow and become more geographically dispersed. To ensure this we:

- Invested in the training and development of our staff.
- Set up a staff committee to provide input on issues that affect employee satisfaction. This will help to ensure the staff voice is appropriately represented and avoid a top-down approach.
- In March 2017, we formalised our commitment to human rights when the PRI Board signed off our first [Human Rights Policy](#). To ensure that we honour our commitment to human rights, we will align our work with the UN Guiding Principles on Business and Human Rights and other international human rights instruments.

This positive working culture has meant employee turnover has stayed under our target of 15% at 14.3%. The average turnover for organisations with under 250 employees for the same period was 16.1%. To make sure we are more aware of how our employees feel about

the PRI and to keep turnover low, we will run the Employee Engagement Survey every year, instead of every two years.



OUR VALUES:

- Principles-driven
- Authenticity
- Cooperation
- Openness
- Empowerment
- Responsibility

[READ MORE](#)

DELIVER AND SUPPORT AN EFFECTIVE GOVERNANCE STRUCTURE

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.

BOARD MEMBERS

CHAIR



Martin Skancke

Chair, PRI
Appointed until 2017

DIRECTORS ELECTED BY ASSET OWNERS



Marcel Barros

Board member,
PREVI, BR
Elected until 2017



Angela Emslie

Chair, Hesta
Superfund, AUS
Elected until 2018



Eva Halvarsson

NEW
Chief Executive
Officer, Second
Swedish National
Pension Fund
(AP2)
Elected until 2019



Priya Mathur

Board member,
CalPERS, US
Elected until 2017



Hiro Mizuno

NEW
Executive
Managing Director
and Chief
Investment Officer,
Government
Pension
Investment Fund
(Japan).
Elected until 2019



Renosi Mokate

Chairperson of the
Board of Trustees,
Government
Employees Pension
Fund (GEPF), SA
Elected until 2017



Xander den Uyl

Trustee, ABP, NL
Elected until 2018

DIRECTORS ELECTED BY NON ASSET OWNERS



Geeta Aiyer

President and
Founder, Boston
Common, US
Elected until 2017



Sandra Carlisle

Head of
Responsible
Investment,
Newton
Investment
Management, UK
Elected until 2018



Peter Webster

Director of
International
Affairs, Vigeo
Eiris & CEO EIRIS
Foundation, UK
Elected until 2019

PERMANENT UN ADVISORS

UNGC



Gavin Power

Deputy Director,
UNGC

UNEP



Eric Usher

Head, UNEP FI

[READ DIRECTORS' PROFILE](#)

CHAIR INTRODUCTION

The Board is working well and we are constantly working to improve our performance. After our self-assessment in 2016 we agreed to five priority areas for the forthcoming year.

1. **PRI's Blueprint for responsible investment.** The Board has had a series of discussions on the *PRI's Blueprint for responsible investment*. As a Board we have been working towards more dynamic discussions, with workshops devoted to long-term strategic issues for responsible investment and the PRI, plus importantly considering how we measure our success. The launch of the Blueprint has been a real success, with positive feedback from signatories on its broad vision for responsible investment. In the latter half of 2017 the Board will work with the Executive to prioritise and implement objectives from the Blueprint in the next three-year (2018-21) strategy.
2. **Strategy oversight.** The Board has oversight of the implementation of the strategy principally via the management report, a standing item for every Board meeting. Routine reports within the management report include: key performance indicators; work stream updates; recent and forthcoming publications; quarterly signatory update; financial accounts; partnerships and fundraising updates; human resources report. Throughout the year the Board has also discussed in depth updates on work programmes such as the Academic Network and Research Forum, how the PRI is supporting investors' actions on climate, how the reporting framework is evolving to capture the responsible investment activities of service providers, and how the PRI is supporting French speaking signatories.
3. **Asset owner recruitment and stakeholder outreach support.** Throughout the year the Board provided direction to, and received regular updates on, the recruitment effort of key asset owner targets. I am glad to report that these solid foundations have contributed to recent asset owner recruitment that has exceeded expectations. The Executive has also worked with the Signatory and Stakeholder Engagement committee to prioritise key stakeholders and how the PRI can partner and communicate better with aligned organisations. Effective communication and effective partnerships avoids duplication of effort and can greatly increase our impact.
4. **Balanced decision-making between the Board and Executive.** While there has been an increased focus on strategic discussions around the Board table, the Executive continue to report on operational decisions to respective committees and to the Board via the management report. As well as reviewing the existing terms, rules and policies over the course of the year the Board has agreed to several new supporting governance documents. [The Grant Policy](#), [Human Rights policy](#) and [Policy committee terms of reference](#) direct the work of the Executive and explain the decision-making and oversight role of the Board with regards



Martin Skancke,
Chair, PRI

to the respective areas. [The Signatory Categorisation Guidelines](#) set out clearly the criteria and process for the categorisation of organisations wishing to sign up to the Principles.

5. **Committee work plans.** The Board has six supporting committees and they are critical to the Board's effectiveness. They are forums for the Board and Executive to explore strategic and governance issues in depth and from several different perspectives. Every committee has an annual work plan and calendar. The committees' work ranges from governance to the oversight of risk to strategic guidance on the PRI's work programmes. In March 2017 the Board agreed to establish a sixth supporting committee, the Policy committee, to guide the preparation of financial system and policy related content for the Board. For more information on the work of the committees see [here](#).

I would like to thank the directors that departed in December 2016, Mark Chaloner, Colin Melvin and Niels Erik Petersen, for their valuable input, especially their contribution to the PRI's governance reform. The PRI hopes to continue to benefit from the expertise of the departing board directors.

In January 2017 we welcomed two new Board directors, Eva Halvarsson, Chief Executive Officer, Second Swedish National Pension Fund (AP2) and Hiro Mizuno Executive Managing Director and Chief Investment Officer, Government Pension Investment Fund (Japan). We also welcomed back Peter Webster, Director of International Affairs, Vigeo Eiris who campaigned successfully for a second term on the Board.

The Board continues to put considerable effort into ensuring it is effective. Included in this year's Board report are the outcomes from the 2015 and 2016 Board self-assessment and our progress on the measures to improve our effectiveness.

Skills, experience and diversity are critical to a high performing board. Geographical diversity is one critical component of effective debate and decision-making. The PRI is a global organisation and aims for global representation on its Board, particularly within the asset owner designated Board positions. In our guidance to signatories for the 2017 elections we are encouraging asset owner candidates from North America and Emerging Markets, as well as encouraging female candidates for both the asset owner and investment manager positions.

I encourage all signatories to participate in the signatory voting in October and November. The PRI is a membership organisation and to continue to thrive we need to engage signatories with relevant work and activities, and signatories need to keep engaged and active in our governance. The PRI will be asking signatories to confirm my second three-year term, elect asset owner and investment manager representatives to the Board, approve the SGM minutes and vote for the PRI Annual Report and Accounts.

For my second three-year term I propose to focus on the

- implementation of the 2018-21 strategy, ensuring that the PRI has the internal capacity to deliver; and
- develop the Board and its supporting processes.

I encourage you to read the full PRI Board report, an overview of the work undertaken by the Board over the past year, how we work together as a unit and with the Executive. The report includes our focus on organisational purpose; the leadership of the Board; integrity measures; decision-making processes, risks and controls; actions to improve our effectiveness; how we are thinking about Board diversity and communicating this to signatories; and our efforts to be open and accountability to signatories.

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

Martin Skancke,
Chair, PRI

BOARD DISCUSSIONS DURING THE YEAR

Operations	25%
Governance	27%
Strategy	48%

STRATEGY

- Independent evaluation of the PRI's achievements and challenges at 10 years
- PRI 10-year Blueprint
- Human resources strategy
- 'Strengthening Accountability, Recognising Diversity' signatory consultation
- 'Sustainable Financial System, Principles, Impact' signatory consultation
- Sustainable Financial System strategy and work plan
- Asset owner recruitment
- G20 Green Finance Study Group collaboration
- Academic Network and Research Forum
- Service provider reporting framework
- PRI climate change aligned work, including FSB task force recommendations
- PRI Francophone network
- PRI in Person

GOVERNANCE

- Grant policy
- Human Rights policy
- Review of the Articles, Rules, terms and policies
- Associate Membership status and entitlements
- Signatory and Stakeholder Engagement committee terms of reference
- Policy committee terms of reference
- Signatory Categorisation guidelines
- Signatory categorisation cases
- 2016 PRI Board elections and regional Board representation
- Annual report and Signatory General Meeting key messages
- Board self-assessment survey, process and results
- Chair succession planning scenarios
- Chair priorities and 2017/18 contract

OPERATIONS (INC. MONITORING PERFORMANCE)

- Mid-year 2017/18 financial review
- 2017/18 budget guidelines
- 2017 fee increase and discounts for emerging market asset owner signatories
- 2017/18 budget
- PRI Enterprises contract
- Management reports
- Signatory satisfaction and engagement survey results

2017 SIGNATORY GENERAL MEETING

PRI BOARD REPORT

AGENDA

The 2017 Signatory General Meeting (SGM) will be at 09.40-11.00 on Monday 25 September 2017 in the Intercontinental, Berlin, as part of PRI in Person.

1. PRI BOARD REPORT

Martin Skancke, Chair, PRI Board

(09.40-09.50)

2. MANAGEMENT AND FINANCIAL REPORT

Fiona Reynolds, Managing Director, PRI

(09.50-10.20)

3. Q&A

Martin Skancke, Chair, PRI Board

(10.20-10.50)

4. 2017 PRI BOARD DIRECTOR ELECTIONS

Martin Skancke, Chair, PRI Board

(10.50-11.00)

The PRI wants to encourage an active dialogue between signatories and the Board. The SGM, the annual general meeting of signatories, is an important forum for communication between the Board and signatories. The Board encourages signatory participation, either in person or via webcast. The SGM is an opportunity for the Board to report to signatories on the PRI's strategy and its implementation; the work undertaken by the Board and its committees; forthcoming Board elections; formal consultations and any other business.

The SGM will be webcast for signatories that cannot attend in person. For more information on how to participate by webcast and submit questions in advance, please contact governance@unpri.org.

The PRI sought input from signatories on the draft SGM agenda in June 2017 and invited signatories to contribute agenda items and resolutions to be put to a vote.

No agenda items or resolutions were received by the deadline of 25 July. However, time has been set aside for signatories to ask questions. If you have detailed financial or legal questions, please submit these in advance of the meeting to governance@unpri.org.

PRI BOARD REPORT

DELIVERING ON ORGANISATIONAL PURPOSE

The Board remains focused on the PRI's purpose and long-term strategy, and the oversight of the implementation of the current 2015-18 strategy. Board agendas are set by the Chair, with input from the Managing Director, and are structured to focus on the PRI's strategic issues.

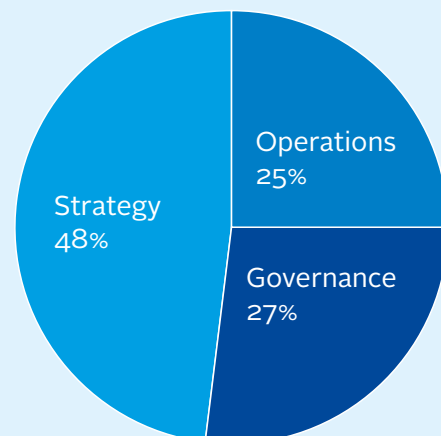
Key strategic discussions

The Board concentrated on a number of key strategic discussions throughout the year:

- **PRI's Blueprint for responsible investment.** The Board considered several inputs as part of the 10-year Blueprint discussions, including the signatory survey results, the formal signatory consultations and the 10-year independent review of the PRI's performance. The Board had workshops at consecutive meetings to provide strategic direction to the Executive. The December 2016 workshop focused on seven key questions:
 - What is the 10-year vision for responsible investment?
 - What is the PRI's role in 10 years?
 - What is the PRI's value to signatories?
 - What is the PRI's impact in 10-years?
 - How could the PRI be organised to deliver?
 - What activities will be undertaken that are not already being done?
 - Given where the Board wants the PRI to be in 10 years what does the Executive need to do now?
- The March 2017 meeting workshop focused on the measures of success and how to frame the three areas of desired impact.
- **Strengthening Accountability, Recognising Diversity signatory consultation.** After signatory feedback the Board agreed to strengthen signatory accountability, by introducing a mechanism to delist signatories that do not implement the Principles and makes no progress over time; and signatories that seriously violate the spirit of the Principles. The Board also agreed to better showcase signatory leadership and introduce Associate Members to introduce potential signatories to more learning and development opportunities.

- **Sustainable Financial System, Principles, Impact signatory consultation.** Following the consultation, the Board agreed that there was strong support for work to address systemic issues, but not to introduce a 7th Principle. At the March 2017 meeting the Board agreed to four priority Sustainable Financial System (SFS) projects:
 - Trustee readiness for a sustainable system
 - Asset consulting services review
 - Promote sustainable system linkages and the role of actors
 - Macroeconomic risks - investor response to threats and instability
- **Asset owner recruitment.** Throughout the year the Board provided direction to, and received regular updates on, the recruitment effort of key asset owner targets. 2016/17 asset owner recruitment has exceeded targets.
- **Human resources strategy.** The high-level strategy outlined the current advantages, challenges and future aims for organisational performance, design, resourcing, development, reward strategy and culture. The high-level strategy will be broken down into three-year implementation plans, considering capability, skills and structure. The Board discussed the development of the organisational structure; management capacity and further plans for training, support and guidance; capacity to support signatories in local markets; the organisational pay structure; and the alignment of staff values with signatory value and receptiveness to ideas from global staff and signatories.

Board discussions during the year



PRI BOARD DISCUSSIONS AND ACTIONS IN 2016/17

May 2016 (call)

- Discussion of the draft 'Sustainable Financial System, Principles, Impact' signatory consultation paper.

June 2016 (meeting)

- Discussion of the signatory satisfaction and engagement survey results.
- Discussion of [From Principles to Performance](#), an independent evaluation of the PRI's achievements and challenges at 10 years.
- Discussion of the outcomes of the 'Strengthening Accountability, Recognising Diversity' signatory consultation.
- Discussion of the initial feedback from the 'Sustainable Financial System, Principles, Impact' signatory consultation.
- Discussion of the draft *Signatory Categorisation Guidelines*.
- Discussion of the asset owner recruitment strategy.
- Discussion of possible further collaborative work with the G20 Green Finance Study Group
- Discussion of the Academic Network and Research Forum work programmes.
- Discussion of the 2016 PRI Board elections and regional Board representation.
- Discussion of the key messages for the annual report and SGM.

September 2016 (meeting)

- Discussion of the outcomes from the 'Sustainable Financial System, Principles, Impact' signatory consultation.
- Approval of the recommendations from the 'Sustainable Financial System, Principles, Impact' signatory consultation.
- Discussion of the proposal for a PRI's *Blueprint for responsible investment*.
- Discussion the PRI climate changed aligned work
- Update on the possible collaborative work with the G20.
- Discussion of the key messages for the SGM.
- Discussion of the proposed service provider reporting framework.
- Approval of proposed changes to the Articles / Rules / terms / policies, prior to signatory approval.
- Approval of the 2016 election process and candidates.
- Approval of the Board self-assessment survey and

process.

- Approval of Chair succession planning scenarios.
- Approval of the Signatory Categorisation Guidelines.
- Discussion of the mid-year financial review.
- Approval of the 2017/18 budget guidelines, including 2017 fee increase and discounts for emerging market asset owner signatories.
- Approval of a contract with PRI Enterprises to provide a limited number of online courses to signatories and potential signatories.

December 2016 (meeting)

- Approval of the election results.
- Discussion of the Board self-assessment results and approval of focus areas for 2017.
- Discussion of the PRI's 10-year vision.
- Approval of the PRI's proposed five focus areas on climate change.
- Discussion of PRI in Person 2017, 2018 and 2019.
- Approval of a PRI [Grant Policy](#).
- Approval of the revised [Signatory Categorisation Guidelines](#).

March 2017 (meeting)

- Approval of the revised terms of reference for the [Signatory and Stakeholder Engagement committee](#).
- Approval of the terms of reference for the new [Policy committee](#).
- Approval of two signatory categorisation cases.
- Approval of the *Sustainable Financial System* work programme four priority projects.
- Discussion of the 10-year vision statement and measures of success for the PRI's *Blueprint for responsible investment*.
- Approval of the PRI actions to support the FSB task force recommendations.
- Approval of the 2017/18 budget.
- Approval of the Human Resources strategy.
- Approval of the [Human Rights policy](#).
- Approval of the details of [Associate Membership](#) status.
- Discussion of a PRI Francophone network and language requirements of signatories.
- Approval of Chair priorities and contract for 2017/18. Discussion of Chair second term.

Standing items at every Board meeting:

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

LEADERSHIP

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

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

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

PRI Board agreed policies

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

Values

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

THE PRI'S SIX CORE VALUES

PRINCIPLES DRIVEN

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

AUTHENTICITY

We are true to our organisation, its mission and ourselves

COOPERATION

We work together constructively with mutual respect and enthusiasm

OPENNESS

We welcome diversity and expect transparency in our activities

EMPOWERMENT

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

RESPONSIBILITY

We take ownership for our actions and outcomes

Commitment

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

Board members also devote a significant amount of time to signatory meetings alongside the Board meetings and within their local markets. All Board members are required to be present at the SGM.

For more information on the attendance records see [here](#).

INTEGRITY

Board directors must abide by the Code of Ethics and the Directors' Terms of Reference. Also, every election candidate is asked to state that they *"Will not bring the PRI Board or PRI Association into disrepute if elected"*.

At every meeting, Board directors are given the opportunity to declare relevant interests, which are recorded in the register of interests. Interests can include commercial relationships between Board members or between the Chair and signatory organisations.

DECISION-MAKING, RISK AND CONTROL

Delegation and control

As well as reviewing the existing terms, rules and policies over the course of the year the Board has agreed to several new supporting governance documents. The [Grant Policy](#), [Human Rights policy](#) and [Policy committee terms of reference](#) direct the work of the Executive and explain the decision-making and oversight role of the Board with regards to the respective areas. The [Signatory Categorisation Guidelines](#) set out clearly the criteria and process for the categorisation of organisations wishing to sign up to the Principles.

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

- Ethics committee
- Finance, Audit and Risk committee
- Human Resources and Remuneration committee
- Signatory and Stakeholder Engagement committee
- Skills, Diversity and Elections committee

In March 2017 the Board agreed to establish a Policy committee to guide the preparation of financial system and policy related content for the Board. The Board also agreed to revise the terms of the Signatory and Stakeholder Engagement committee to focus more on the oversight of the signatory lifecycle, including signatory accountability measures, an important element of the Blueprint. A summary of the committees' work is on pages 13-15.

Risk

The Finance, Audit and Risk committee reports to the Board at every meeting on important strategic and / or operational risks. The committee has also reviewed the auditor. For more information see the committee report.

Management report

The Board has oversight of the implementation of the strategy principally via the management report, a standing item for every Board meeting. Routine reports within the management report include: key performance indicators; work stream updates; recent and forthcoming publications; quarterly signatory update; financial accounts; partnerships and fundraising updates; human resources report. The report has been recently revised, with a more direct reporting from the managing director to encourage a more open discussion with the Board. The MD introduction, before the routine reports, is structured into:

- What recent achievements should we celebrate?
- What is currently worrying me and should concern the Board?
- What are the big issues that I see on the horizon?
- Since the last Board meeting – what am I spending my time on?
- What is on my mind and I would like advice from the Board on?

The MD introduction has been well received.

BOARD EFFECTIVENESS

2015 Board self-assessment

In last year's SGM papers we reported on the results of the 2015 Board self-assessment. In the table below we report on the progress in 2016 against the measures agreed in late 2015.

Measures to improve effectiveness (2016)		
Area	Action	Progress
Induction	Develop the new director induction process	Revised induction programme includes: <ul style="list-style-type: none"> ■ Comprehensive induction material pack. ■ Introductory calls with Chair and Managing Director. ■ Half-day session with management team, including 1-1 meetings with heads of work programmes. ■ Refresher inductions offered to all directors annually. ■ Better use of Board meetings in PRI offices to introduce Board members to the Executive.
Self-assessments	Develop individual director self-assessments	Reflections on individual performance have been included in the 2016 Board self-assessment.
Director role	Clarify the expectations of current directors	<ul style="list-style-type: none"> ■ Board and committee meeting attendance requirements have been codified in the Directors' Terms of Reference. ■ For prospective Board directors, attendance requirements and expectations (term, time and expenses) are published in the election materials.
Director role	Set Board goals for the forthcoming year	<p>The Board agreed to five goals for 2016:</p> <ol style="list-style-type: none"> 1. oversee the implementation of the strategy; 2. oversee delivery of the 10-year anniversary plans; 3. support asset owner recruitment and stakeholder outreach; 4. establish balance of decision-making between the Executive and the Board; 5. develop work plans for the Board committees.

2016 Board self-assessment

The general reflection was that the 2015 self-assessment framework was too detailed and consequently the results too fragmented. The 2016 survey was more streamlined and structured into three parts:

1. Effectiveness of the Board against Board goals and role:
 - Strategic plan and oversight of the implementation
 - Monitoring operations, including risks
 - Signatory relations and rights
 - Elements of Board effectiveness
 - Board behaviours and dynamics

2. Narrative questions (PRI Board strengths; how to increase the Board's effectiveness: focus areas for the next year; suggestions for Board specific training)
3. Self-reflection on performance

The results were generally positive. This year more emphasis was placed on the actual Board discussion of the assessment results, including celebrating the reported strengths of the PRI Board (Chair leadership, positive relationship between the Board and Executive, and oversight of the PRI's governance), exploring divergent opinions and collectively agreeing on measures to improve the Board's effectiveness.

Measures to improve effectiveness (2017)		
Area	Action	Progress
Mission	Focus on mission	Discussion of the 2018-21 strategy scheduled for the September and November 2017 Board meetings.
Diversity	Encourage diversity of viewpoints	Board discussions structured, where possible, to allow for better utilisation of the geographic diversity of perspectives and skills of the directors.
Board role	Increase Board outreach & ambassadorial role	A 'Signatory and stakeholder interaction' agenda item has been introduced into the Board agenda, for Board members to provide their feedback on recent meetings and conversations with signatories as part of their ambassadorial roles.
Participation	Improve participation, for Board and committees	<ul style="list-style-type: none"> ■ More interactive Board sessions planned. ■ Creating a sense of trust and cohesiveness amongst the Board, through Board only dinners and restricting the number of Executive in attendance at the Board meetings. ■ Better committee planning of the annual committee meetings and scheduled agenda items.
Board papers	Improved Board papers	Better guidance to the Executive on Board papers that are more analytical and focused on strategic issues.
Committees	More effective committees	<ul style="list-style-type: none"> ■ Revised committee paper format. ■ Revised committee paper vetting process. ■ Better use of committees' delegated authority.
Board goals	Set Board goals for the forthcoming year	<p>The Board agreed to five focus areas for 2017:</p> <ol style="list-style-type: none"> 1. PRI 2018-21 strategy 2. Asset owner recruitment 3. PRI's geographic reach 4. Outreach to leaders within signatories and non-signatories 5. Executive oversight and support

In late 2017 the PRI Board will instruct an independent expert to conduct, and report in writing on, an independent review of the functioning of the Board. The Chair will report the results of the independent expert's review to the 2018 SGM.

2016 Chair assessment

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

1. Leadership of the Board, ensuring its effectiveness and working with the Executive;
2. Performance on the agreed five priorities for the chair in 2016
 - a) Strategy (inc. 10 year plans & possible 7th principle)
 - b) Stakeholder relationships inc. UN partners
 - c) Asset owner recruitment

- d) Carbon and climate change
- e) Signatory accountability (inc. segmentation)
3. Feedback on focus activities for the Chair in 2017/18

The results were generally very positive on the leadership of the Board and performance on the agreed five priorities. Board members agreed three priority areas for the Chair in 2017:

1. Oversight of the development of the 2018-21 PRI strategy, aligned with the *PRI's Blueprint for responsible investment* objectives;
2. Asset owner recruitment; and
3. Signatory and stakeholder engagement in the US, Emerging markets and Asia.

The Board also agreed to nominate the Chair for a second term.

DIVERSITY

The PRI Board is composed of:

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

As set out in the Diversity Policy the PRI is committed to promoting and encouraging diversity both in the work that it undertakes, promoting the implementation of the Principles, and in the Company's own operations, the Board and Executive. The Board aims to achieve the appropriate balance of skills, diversity, experience, independence and knowledge of the organisation to enable it to discharge its duties and responsibilities effectively. Geographical diversity is one critical component of effective debate and decision-making. The PRI is a global organisation, and aims for global representation on its Board, particularly within the asset owner positions. As part of the 2016 election process the PRI encouraged *asset owner* candidates from signatories with headquarters in Asia. All candidates were asked to demonstrate within their election materials governance experience, experience in investment markets outside of Europe / US, specifically Asia; and demonstrated leadership within responsible investment.

In January 2017 the PRI was pleased to welcome three newly elected directors that will bring their perspectives, skills and knowledge to the Board:

- Eva Halvarsson, Chief Executive Officer, Second Swedish National Pension Fund (AP2) – Asset owner representative
- Hiromichi Mizuno, Executive Managing Director and Chief Investment Officer, Government Pension Investment Fund (Japan) – Asset owner representative
- Peter Webster, Director of International Affairs, Vigeo Eiris – Service provider representative

In the 2017 PRI Board elections there are three open asset owner positions and one open investment manager position. The asset owner elected directors that are set to continue on the Board are from Asia (1), Australasia (1) and Europe (2). The Board is encouraging asset owner candidates from North America and Emerging Markets to try to ensure that there continues to be global representation on the Board.

The current gender balance amongst the elected directors is fairly evenly balanced (5 males; 6 females). However, four female directors are coming to the end of their

terms in 2017. The Board is therefore encouraging female candidates. Candidates are also asked to elaborate on their demonstrated governance experience, leadership within responsible investment, ESG expertise and other experience relevant to the long-term success of the PRI.

The candidates will be announced at the SGM and for more information on the elections see [here](#). The election process is overseen by the Skills, Diversity and Elections committee and more information on the work of committee is on page 15.

OPEN AND ACCOUNTABLE

Consultations

To mark the PRI's 10-year anniversary in 2016 the PRI undertook a series of initiatives to review progress so far and to create an ambitious and achievable vision for how the PRI should progress over the next 10 years. This included global signatory and stakeholder surveys, an independent impact evaluation and major signatory consultations. These activities culminated in the launch of the *PRI's Blueprint for responsible investment* in 2017.

- Nearly 2,000 individuals attended regional consultation workshops and webinars, from over 520 organisations (nearly 50% of all signatories)
- Over 500 written responses to the *Strengthening Accountability, Recognising Diversity* signatory consultation
- Nearly 200 written responses to the *Sustainable Financial System, Principles, Impact* signatory consultation.

The Board has carefully considered the consultation responses and there have been a series of Board discussions to discuss thoroughly and agree on the *PRI's Blueprint for responsible investment*.

PRI Board as ambassadors

Part of every PRI Board directors' role is to be an ambassador for the PRI, advocating for the PRI and importantly listening to signatories and stakeholders. Signatory events are planned to coincide with Board meetings, for example the PRI 10-year anniversary event in June 2016, or vice versa, with the September 2016 Board meeting immediately preceding PRI in Person Singapore. Board meetings, especially in London, are also an opportunity for the Board to meet with the Executive staff, beyond the usual suspects of the management team.

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

SGM

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

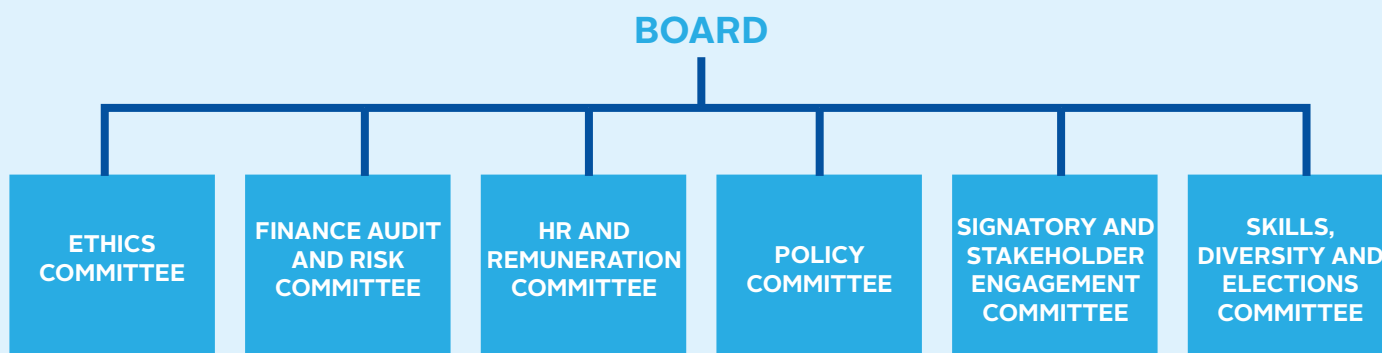
Signatories approved the [2016 Signatory General Meeting minutes](#) via an online vote alongside the Board election vote.

Board reports (April 2016 – March 2017)

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

- [June 2016 Board meeting](#)
- [September 2016 Board meeting](#)
- [December 2016 Board meeting](#)
- [March 2017 Board meeting](#)

PRI BOARD COMMITTEES



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

Below is a summary of the work of the committees from April 2016 to March 2017:

ETHICS COMMITTEE

Members: Geeta Aiyer, Marcel Barros, Niels Erik Petersen*, Xander den Uyl (chair)**

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

The committee did not meet formally between 1 April 2016 and 31 March 2017.

[Terms of reference](#)

FINANCE AUDIT AND RISK COMMITTEE

Members: Mark Chaloner*, Eva Halvarsson**, Priya Mathur, Colin Melvin (chair)*, Peter Webster (new chair)**

The committee advises 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.

STANDING ITEM:

Risk register

Risks are grouped into five broad categories: governance, strategy, reputation, finance and project/operations. Every identified risk has an owner and risks are scored according

to potential impact and likelihood. The committee provides an update on the register at every Board meeting.

Risks discussed by the committee included terror attack risk; grant funding risks; political risk in key PRI networks; IT infrastructure risk; risk of expansion into new networks; and 'competition' risk. During the financial year the PRI attained the Cyber Essentials scheme certification. As the next three year strategy is developed, additional risks to the delivery of the strategy will also be identified.

KEY DISCUSSION ITEMS:

- Review of the 2015/16 budget outcome and process. The variance between budget and outcome was because of the built-in budget contingency for potential delistings and lower signatory growth; higher than expected signatory growth and AUM inflation; and a lag in human resources recruitment. The committee agreed to the Executive's proposal to include an HR vacancy rate and remove the contingency fund.
- Meeting with the auditors, independently from the Executive, to review the PRI Association and PRI Enterprises audited statutory accounts for the year ended 31 March 2016. The committee recommended the PRI Board to approve the accounts.
- Review of the PRI auditors, Buzzacott Ltd, who have been the auditors since 2010/11. The committee recommended to the Board to re-appoint Buzzacott for a further period.
- Signatory fees and foreign currency. The committee had a discussion on signatory fees and foreign currencies bearing in mind the relative strength of sterling for emerging market signatories over some past years. The recommendation was the keep the present system of setting fees in sterling for the time being, in view of the complexities of multicurrency arrangements and the existence of other measures that help to mitigate the effect of currency fluctuations, for example the fee discounts for asset owners in emerging markets.
- Planning for and review of the 2017/18 budget. The committee recommended to the Board budget guidelines for 2017/18: 3% fee increase in April 2017; asset owners in emerging markets fee discount upon application; and a target of £50,000 budget surplus. During the review of the proposed 2017/18 budget the committee requested further guidance for the Board on

PRI Academy progress, consultancy spend and multi-year programmes.

- Recommendation to the Board to revise the format of financial reporting to the Board. Report format to include: breakdown of operating revenue; breakdown of operating expenses by work stream and services; breakdown of top five operating expenses; composition of net assets; intercompany debt.
- Internal controls for the PRI subsidiaries, PRI US Incorporated and PRI Hong Kong Ltd.
- Recommendation to the Board to have an annual key person risk during the *in camera* Board agenda item.
- Review of the procurement policy and recommended a revised version for Board approval.

[Terms of reference](#)

HR AND REMUNERATION COMMITTEE

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

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

STANDING ITEMS:

- Employee turnover
- Relevant employment law updates

KEY DISCUSSION ITEMS:

- Oversight of the annual Executive review process, including 360s and benchmarking, and outcomes. Salary reviews recommended to the Board.
- Review of the Executive Learning and Development plans.
- Review of the Chair, Directors and Managing Director's terms of reference and recommended revised versions for Board approval.
- Review of the proposed Human Rights policy and implementation plan. The committee recommended the policy for Board approval.
- Review of the Human Resources strategy, including proposals on the organisational performance, design, resources, development, rewards and culture. The strategy is a high-level overview to support the Blueprint. A more detailed HR strategy will support the 2018-21 strategic plan. The committee recommended the high-level strategy to the Board.

- Review of the Managing Director assessment and Chair assessment.

[Terms of reference](#)

POLICY COMMITTEE

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

The terms for the new Policy committee were agreed by the Board at the March 2017 Board meeting. The purpose of the committee is to guide the preparation of financial system and policy related content for the Board. This incorporates strategic guidance on the activities to realise the sustainable financial system aspect of PRI's mission, including for example, the Sustainable Financial System and Sustainable Development Goals programmes. The role of the committee is to guide the Executive in the preparation of materials for the PRI Board, reviewing planned papers and related materials, encompassing programme plans, and financial and resourcing plans.

[Terms of reference](#)

SIGNATORY AND STAKEHOLDER ENGAGEMENT COMMITTEE

Members: Sandra Carlisle, Angela Emslie, Priya Mathur (chair), Renosi Mokate, Gavin Power*, Eric Usher*

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

STANDING ITEMS:

- Signatory categorisation clarifications and precedents.
- New approved signatories by quarter.
- Asset owner recruitment.
- Review of formal signatory complaints to the PRI Board or Executive.
- PRI KPIs relevant to the remit of the committee: signatory collaboration, downloads of PRI publications, PRI events participation, stakeholder collaborations, projects with UN partners, asset owner growth and signatory satisfaction.

KEY DISCUSSION ITEMS:

- Asset owner growth. The committee reviewed the asset owner recruitment process, including targets, recruitment materials and the recruitment protocol for

Board members.

- PRI's stakeholder relationships. The committee reviewed the Executive's plans for identifying, mapping and managing key stakeholder relationships. As part of the exercise the PRI surveyed a select group of key stakeholders to get feedback on alignment, how the PRI has collaborated historically and areas for improvement. Regular catch-ups with key stakeholders, for example with the SIFs, have been established.
- Development of the signatory categorisation guidelines. The committee agreed to categorisation based on a 'principle' approach. To identify asset owners three main characteristics will be sought: the investor's discretion on its assets, the long-term nature of its investments and the non-commerciality of its asset management activities. The guidelines aim to provide clear guidance on the process and categorisation of signatories, including any historical precedents established. The Board approved the guidelines.
- Associate membership rights. The committee reviewed the proposed rights and responsibilities of potential members. Associate membership will be limited to asset owner organisations and the focus will be on learning, development and education services. The Board approved the associate membership proposals from the committee.
- Exploratory discussion of the possible process and criteria for delisting signatories that contravene the spirit of the Principles.
- Review of the Signatory Rules, SGM Rules, Permanent UN Advisors terms of reference.
- Role of the committee. In February 2017 the committee proposed for Board approval a revised remit: oversight of the signatory lifecycle, including signatory accountability measures. The focus areas of the committee will include: signatory status and categorisation; the active participation of signatories in PRI activities and work streams; guidance on the expectations for signatory accountability and methodologies for delisting; outreach to prospective signatories; and effective partnerships with key stakeholders. The committee will also provide guidance on key communication messages around the signatory life cycle and stakeholder management. The Board approved the revised terms of reference.

[Terms of reference](#)

SKILLS, DIVERSITY AND ELECTIONS COMMITTEE

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

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

KEY DISCUSSION ITEMS:

- Board geographic diversity. The committee agreed on the importance of geographic diversity on the Board for the mission and the strategic direction of the organisation. The committee agreed to encourage the 2016 election candidates with: demonstrated leadership within responsible investment, ESG expertise and other experience relevant to the long-term success of the PRI; experience in investment markets outside of Europe / US, specifically Asia; and governance experience, such as previous / current Board experience. The Board agreed to the proposal by the committee to have an exclusivity period in the 2016 elections for candidates from asset owner signatories with headquarters in Asia, followed by an open call for candidates.
- Revisions to the mid-term election rules. The committee proposed that directors elected in mid-term elections serve for a term of up to three years, rather than until the end of the calendar year. The revision was agreed by signatory vote in November 2016.
- Oversight of the 2016 PRI Board elections. All candidates were eligible. Upon notification that Mark Chaloner would resign at the end of the year the committee recommended to the Board that the PRI open the asset owner elections to two open positions.
- Development of the Board self-assessment template and oversight of the self-assessment process. The committee chair lead the Board discussion on the outcomes of the self-assessment.
- Chair succession plans. Succession planning for the Board Chair role is good practice and could be required for several circumstances. The Board asked the committee to consider and propose short-term contingency and transition plans for the Chair role, including managing the work of the Board if the Board Chair is unable to chair a meeting at short notice, or resigns mid-term; the re-appointment of an existing Board chair; and the recruitment of a new Board chair. The Board approved the proposed succession plans.
- Review of the induction process for new directors and guidance on possible improvements.

[Terms of reference](#)

2017 SIGNATORY VOTING

The Board encourages signatories to participate actively in all area of PRI governance. Signatories will be asked to vote for and / or approve, via an online vote in October and November, the following:

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

For more information on the 2017 elections and voting procedure see [here](#).

SIGNATORY RIGHTS

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

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

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

PRI BOARD ATTENDANCE

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

JANUARY - DECEMBER 2016

	PRI Board		PRI Board committees			
	Meetings	Calls	Finance Audit and Risk	HR and Remuneration	Signatory and Stakeholder Engagement	Skills Diversity and Elections
Total number of meetings:	4	2	2	2	3	4
Geeta Aiyer	3/4	1/2				3/4
Marcel Barros	2/4	0/2				
Sandra Carlisle	3/4	2/2			1/3	1/4
Mark Chaloner	2/4	2/2	2/2	1/2		
Angela Emslie	4/4	1/2			3/3	4/4
Priya Mathur	4/4	2/2	2/2		3/3	
Colin Melvin	2/3*	2/2	2/2			
Renosi Mokate	2/4	1/2		2/2	3/3	
Niels Erik Petersen	3/4	2/2				
Gavin Power	2/4	2/2			2/3	
Martin Skancke	4/4	2/2				
Eric Usher	2/4	2/2			1/3	
Xander den Uyl	4/4	2/2		2/2		
Peter Webster	4/4	2/2			3/3	2/2**

The Ethics committee did not formally meet in 2016.

*Colin Melvin resigned from the PRI Board in December 2016.

**Peter Webster stepped down from the committee during and after the 2016 PRI Board elections.

JANUARY – JUNE 2017

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

[READ MORE](#)

OBJECTIVE 14

CONTINUE TO BUILD A FINANCIALLY SUSTAINABLE ORGANISATION

FINANCIAL REPORT

INCOME

Between 1 April 2016 - 31 March 2017, total income grew to £8.1 million, up from £7.5 million on the previous year.

	2015/16 actual (£,000s)	2016/17 actual (£,000s)	2017/18 budgeted (£,000s)
Membership fee	6,935	7,807	8,925
Grants, donations, other	27	154	188
Events including PRI in Person net income	380	-92	293
PRI Academy	173	252	250
Total	7,515	8,122	9,656

SIGNATORY FEES

All signatories pay an annual fees, based on their total assets under management or, for service providers, number of employees. In 2016/17, income from new and existing signatories came to £7.81 million, up from £6.94 million in 2015/16.

GRANTS, DONATIONS AND OTHER INCOME

The PRI received £154,000 in grants and donations, up from £27,000 in 2015/16. Projects funded include our work on fiduciary duty with UNEPFI; the Reporting and Assessment reporting tool; an investor palm oil trip to Indonesia; a joint initiative with Ceres on deforestation; and the PRI and MSCI Global guide to responsible investment regulation.

EXPENDITURE

Between 1 April 2016 - 31 March 2017, total expenditure excluding PRI in Person and our 10-year events grew to £8.1 million.

	2015/16 actual (£000s)	2016/17 actual (£000s)	2017/18 budgeted (£000s)
Staff	4,087	5,186	5,987
Bought-in services and consulting	769	838	1,196
Meetings and travel expenses	486	649	891
Rent	341	398	456
IT costs and telephone	315	386	545
Legal and professional services	113	139	182
Events, conferences and hospitality	87	139	54
Subscriptions, reports and printing	82	99	85
Marketing	32	54	58
Other expenditure	100	161	120
Total	6,413	8,051	9,573

EXPENDITURE BY AREA		2016/17 actual (£000s)	2017/18 budgeted (£000s)
Management and Operations		1,961	2,036
Global Networks and Outreach		1,765	2,168
Communications and Events		887	859
Policy and Research, Climate and Academic Network		694	1,061
Investment Practices		722	887
ESG Engagements		549	820
Reporting and Assessment		537	582
Rent		398	456
Grants, other		97	188
PRI Academy		297	354
Partnerships		143	163
Total		8,051	9,573

NUMBER OF STAFF BY DEPARTMENT	June 2016	June 2017	Forecast
Signatory services (including Reporting and Assessment, Investment Practices, ESG Engagements)	29	35	38
Global Networks and Outreach	16	21	24
Operations, Finance, Partnerships and Academy	14	17	17
Communications and Events	9	9	9
Policy, Research and Academic Network	6	9	9
Executive	4	3	3
Total	78	94	100

STAFF AND NETWORK COST:

Our people are our most important asset. In 2016/17, we increased staff spending from £4.1 million in 2015/16 to £5.2million. Total staff numbers grew from 78 as of 30 June 2016 to 94 at 30 June 2017.

Staff costs are budgeted to increase to £5.99 million to reflect growing staff numbers - a projected 6 additional members of staff mainly in Global Networks and Outreach and signatory services teams.

CONSULTING:

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. Total consulting costs increased to £838,000, up from £769,000 in 2015/16. The PRI spent more than £10,000 with the following providers: The Survey Initiative (360 feedback and development), Strategic Global Advisory (comms, business planning, KPI development), Stewart Redqueen (report evaluating PRI impact over past decade), Rory Sullivan (Sustainable Financial System), Monfort (social media support), MRG Comms (Blueprint report), OPUSVL (comms support contract, infrastructure project and software application development), Opinion Research (Blueprint), Leidar SA (digital strategy), Jonathan Rodgers (corporate comms services), Act Fachubersetzung and Today's Translations (translations).

Bought-in services and consulting costs are budgeted to increase to £1,196,000 in 2017/18. This will support work including FSB Task Force investor outreach, development of a new course for the PRI Academy and translation services.

MEETINGS AND TRAVEL:

As a global organisation, travel is critical to ensuring we can fully engage with our signatories around the world. Increases in travel expenditure largely reflect rising staff numbers.

RENT:

Total costs increased slightly to £398,000, up from £341,000 in 2015/16. This is owing to paying full year rent for the US and Hong Kong offices. Rent is budgeted to increase to £456,000; this takes into account the fact that London business rates will increase and we will continue to pay rent for our offices in Hong Kong, the US and Europe.

IT AND TELEPHONE:

IT and telephone costs increased from £315,000 in 2015/16 to £386,000 in 2016/17. This increase relates to enhancements to the PRI website; development of software for the Reporting and Assessment team; and costs related to new starters such as licences and equipment. IT and telephone costs are budgeted to increase to £545,000. This will cover IT (licences, software and new starters); website maintenance and development; maintenance of the Collaboration Platform; and developing the Data Portal.

LEGAL AND PROFESSIONAL SERVICES:

Costs this year for legal and professional services were £139,000. These costs include trademark registration, data protection, commercial advice, governance, audit and tax advice services.

Operating surplus:

After taking into account interest receivable, depreciation and tax, the PRI achieved a surplus of £8,570 for 2016/17.

CASH RESERVES

Cash reserves of £1m minimum maintained throughout the year. Cash increased to £3.4m at the end of the year (2015/16: £2.9 million).

FEE DISCOUNTS AND WAIVERS

Asset owners headquartered in a country classified by the IMF as an emerging market or developing economy are entitled to apply for a fee discount. Please refer to the IMF's World Economic Outlook 2016 (Statistical Appendix, p.209) for a full list of eligible countries.

The PRI will consider reciprocal fee waivers with organisations whose work is closely aligned with the Principles and the PRI's strategic plan, where it makes business sense for both organisations to do so.

The PRI will bill service providers based on only their investment staff, where that service provider has distinct divisions that provide distinct services. If one of those divisions provides a service that is not relevant to investors (and therefore the Principles), this division will be excluded from the fee calculation.

In 2016 the PRI and UNEP FI's Investment Commission introduced a pilot 10% discount for signatories of both initiatives.

Account name	HQ Country	Signatory Category
Aquila Capital Green Assets GmbH	Germany	Investment Manager
Calvert Research and Management	United States	Investment Manager
ClearBridge Investments	United States	Investment Manager
Earth Capital Partners LLP	United Kingdom	Investment Manager
FASERN	Brazil	Asset Owner
Funcef	Brazil	Asset Owner
FUNCESP	Brazil	Asset Owner
Global Sustain	Greece	Service Provider
Government Employees Pension Fund of South Africa	South Africa	Asset Owner
Hermes Investment Management	United Kingdom	Investment Manager
Inflection Point Capital Management U.K. Ltd.	United Kingdom	Service Provider
Infraprev	Brazil	Asset Owner
Interfaith Center on Corporate Responsibility	United States	Service Provider
International Corporate Governance Network (ICGN)	United Kingdom	Service Provider
Khazanah Nasional Berhad	Malaysia	Asset Owner
LA Retirement Fund	South Africa	Asset Owner
Northern Trust Asset Management	United States	Investment Manager
Pax World	United States	Investment Manager
Petros - Fundação Petrobras de Seguridade Social	Brazil	Asset Owner
PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil	Brazil	Asset Owner
Real Grandeza	Brazil	Asset Owner
Sanlam Limited	South Africa	Asset Owner
Sompo Japan Nipponkoa Insurance Inc.	Japan	Asset Owner
State Street Global Advisors (SSgA)	United States	Investment Manager
Tomorrow's Company	United Kingdom	Service Provider
Trillium Asset Management	United States	Investment Manager
Valia	Brazil	Asset Owner
VicSuper	Australia	Asset Owner

PRI ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED 31 MARCH 2017**

DIRECTORS

P Webster
M Barros
R Mokate
P Mathur
M Skancke
S Carlisle
G Aiyer
X Den Uyl
A Emslie
E Halvarsson
H Mizuno

COMPANY SECRETARY

Bristows Secretarial Limited

COMPANY NUMBER

07207947

REGISTERED OFFICE

5th floor, 25 Camperdown Street
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 subsidiaries, together referred to as 'the group', for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

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 Webster
- N Petersen (resigned 31 December 2016)
- M Chaloner (resigned 31 December 2016)
- C Melvin (resigned 31 December 2016)
- M Barros
- R Mokate
- P Mathur
- M Skancke
- S Carlisle
- G Aiyer
- X Den Uyl
- A Emslie
- E Halvarsson (appointed 11 November 2016)
- H Mizuno (appointed 1 January 2017)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 for the group's financial statements 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.

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 the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the 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.

SMALL COMPANIES EXEMPTIONS

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 and signed on its behalf.

M Skancke
Director

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 2017.

The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 Financial Reporting Council'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.

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 2017 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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 take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a group strategic report.

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

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017 £	2016 £
INCOME		
Administrative expenses	9,048,086 (9,055,609)	8,095,569 (7,052,697)
OPERATING (DEFICIT)/SURPLUS	(7,523)	1,042,872
Interest receivable and similar income	20,525	31,034
SURPLUS BEFORE TAXATION	13,002	1,073,906
Tax on surplus	(4,432)	(143)
SURPLUS FOR THE FINANCIAL YEAR	8,570	1,073,763
Foreign exchange movement on reserves	(8,054)	(534)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(8,054)	(534)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	516	1,073,229
SURPLUS FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent company	8,570	1,073,763
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:	8,570	1,073,763
Owners of the parent company	516	1,073,229
	516	1,073,229

The notes on pages 65 to 71 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

	NOTE	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Intangible assets	4		14,221		23,973
Tangible assets	5		168,713		179,287
			182,934		203,260
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	1,028,833		1,036,784	
Cash at bank and in hand		3,496,495		2,934,928	
		4,525,328		3,971,712	
Creditors: amounts falling due within one year	8	(1,773,325)		(1,240,551)	
NET CURRENT ASSETS			2,752,003		2,731,161
NET ASSETS			2,934,937		2,934,421
CAPITAL AND RESERVES					
Foreign exchange reserve			(8,588)		(534)
Contingency reserve	9		450,000		-
Income and expenditure account			2,493,525		2,934,955
			2,934,937		2,934,421

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

M Skancke
Director

The notes on pages 65 to 71 form part of these financial statements.

COMPANY BALANCE SHEET

	NOTE	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	5		168,713		179,287
Investments	6		846		846
			169,559		180,133
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	1,096,329		1,140,975	
Cash at bank and in hand		3,362,176		2,885,633	
		4,458,505		4,026,608	
Creditors: amounts falling due within one year	8	(1,732,724)		(1,218,622)	
			2,725,781		2,807,986
NET CURRENT ASSETS					
			2,895,340		2,988,119
NET ASSETS					
CAPITAL AND RESERVES					
Contingency reserve	9		450,000		-
Income and expenditure account			2,445,340		2,988,119
			2,895,340		2,988,119

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

M Skancke
Director

The notes on pages 65 to 71 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

PRI Association is a company limited by guarantee incorporated in England and Wales. Its company registration number is 07207947. The registered office is 25 Camperdown Street, London, E1 8DZ.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 14.

The following principal accounting policies have been applied:

2.2 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 FRS 102 Section 1A - small entities.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2015.

2.4 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 accrual basis.

2.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. 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.

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

NOTES TO THE FINANCIAL STATEMENTS

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 FINANCIAL INSTRUMENTS

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

2.14 PENSIONS

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.15 INTEREST INCOME

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.16 TAXATION

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 73 (2016 - 59)

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

GROUP

INTELLECTUAL
PROPERTY
RIGHTS
£

COST

At 1 April 2016 and 31 March 2017

39,006

AMORTISATION

At 1 April 2016
Charge for the year

15,033

9,752

At 31 March 2017

24,785

NET BOOK VALUE

At 31 March 2017

14,221

At 31 March 2016

23,973

NOTES TO THE FINANCIAL STATEMENTS

5 TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	LEASHOLD IMPROVEMENT COSTS £	FIXTURES AND FITTINGS £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	TOTAL £
COST OR VALUATION					
At 1 April 2016	167,881	61,607	26,514	36,900	292,902
Additions	23,552	8,382	5,345	22,379	59,658
At 31 March 2017	191,433	69,989	31,859	59,279	352,560
DEPRECIATION					
At 1 April 2016	65,325	28,750	10,810	8,730	113,615
Charge for the year	34,801	13,135	7,103	15,193	70,232
At 31 March 2017	100,126	41,885	17,913	23,923	183,847
NET BOOK VALUE					
At 31 March 2017	91,307	28,104	13,946	35,356	168,713
At 31 March 2016	102,556	32,857	15,704	28,170	179,287

6. FIXED ASSET INVESTMENTS

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company, and are included in the consolidated financial statements:

NAME	REGISTERED OFFICE	CLASS OF SHARES	HOLDING
PRI Enterprises Limited	25 Camperdown Street, London, E1 8DZ	Ordinary	100%
PRI US Inc.	45 Rockefeller Plaza #54, New York, NY, 10111-0100, USA	Ordinary	100%
PRI Association (Hong Kong) Limited	27 th Floor Alexandra House, 18 Chater Road, Central, Hong Kong	Ordinary	100%

COMPANY

INVESTMENTS IN SUBSIDIARIES £

At 1 April 2016	846
At 31 March 2017	846
At 31 March 2016	846

NOTES TO THE FINANCIAL STATEMENTS

7. DEBTORS

Trade debtors
Amounts owed by group undertakings
Other debtors

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	424,475	428,816	386,015	392,078
Amounts owed by group undertakings	-	-	131,895	156,211
Other debtors	604,358	607,968	578,419	592,686
	<u>1,028,833</u>	<u>1,036,784</u>	<u>1,096,329</u>	<u>1,140,975</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors
Corporate tax
Other taxation and social security
Other creditors

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	302,992	265,636	298,193	268,723
Corporate tax	4,443	143	4,105	-
Other taxation and social security	114,171	-	110,660	-
Other creditors	1,351,719	974,772	1,319,766	949,899
	<u>1,773,325</u>	<u>1,240,551</u>	<u>1,732,724</u>	<u>1,218,622</u>

NOTES TO THE FINANCIAL STATEMENTS

9. CONTINGENCY RESERVE

There is no planned change to the contingency reserve set aside in the year from the 2015/16 surplus. This money was set aside after a number of risks were considered. Chief among these was a potential fall in markets that would adversely impact fee income.

10. PENSION COMMITMENTS

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

The pension cost charge represents contributions payable by the group to the fund and amounted to £159,260 (2016 - £127,090).

Contributions totalling £17,672 (2016 - £13,648) were payable to the pension fund at the balance sheet date and are included in creditors.

11. RELATED PARTY TRANSACTIONS

In accordance with the exemption provided by the Financial Reporting Standard 102 Section 1A the financial statements do not include disclosure of transactions between the company and entities which are part of the group where 100% of the voting rights are controlled within the group.

There were no other related party transactions requiring disclosure in the financial statements.

12. CONTROLLING PARTY

In the opinion of the directors, there was no ultimate controlling party during the years ended 31 March 2016 and 2017.

13. 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.

14. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

PARTNERSHIPS

PARTNERING WITH THE PRI ALLOWS ORGANISATIONS TO SHOWCASE THEIR COMMITMENT, ASSOCIATE THEMSELVES WITH EXPERTISE AND LEADERSHIP IN RESPONSIBLE INVESTMENT AND GAIN EXPOSURE TO PEERS AND POTENTIAL CLIENTS THROUGH BRANDING, NETWORKING ENGAGEMENTS AND MORE.

Work with our partners generated £540,000 against a KPI target of £350,000

Organisations can partner with the PRI by:

- partnering or exhibiting at PRI in Person and other events;
- working with the PRI on research or a publication;
- hosting a signatory event;
- supporting the PRI Network in their region;
- collaborating with the PRI Academy, Academic Network and Research Forum.

For more details, including all the latest Partnership opportunities, see the PRI website or contact:

Adam Colling
Head of Partnerships
+44 (0)20 3714 3154
+44 (0)7506 152810
partnerships@unpri.org

OUR PARTNERS IN THIS ANNIVERSARY YEAR

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, and sponsoring or hosting PRI events and publications.

PARTNERSHIPS INCOME

10-YEAR ANNIVERSARY CONFERENCE PARTNERS

New York

- Gold: Clearbridge Investments
- Silver: Deutsche Asset Management

London

- Gold: Amundi, AXA Investment Managers
- Silver: Bank of America Global Wealth and Investment Management, Robeco, Thomson Reuters

PRI IN PERSON 2016

- Gold: Amundi, Bloomberg, BNP Paribas, Robeco
- Silver: AMP, Capital Markets Promotion Council, Clearbridge Investments, Hermes, MFS, Standard Life Investments
- Bronze: Calvert, FTSE Group, Sustainalytics, Vigeo Eiris

A BLUEPRINT FOR THE NEXT DECADE: GLOBAL WORKSHOP SERIES HOST PARTNERS

- Africa: Johannesburg Stock Exchange, Future Growth Asset Management, Old Mutual
- Asia: PWC, Quick Corp
- Australasia: BT Financial Group, Citi Group, Colonial First State Global Asset Management
- Americas: Blackrock, City of Montreal, Ernst & Young, PWC, SulAmerica
- Europe: Allianz, Ardian, BBVA, Hallvarsson & Halvarsson, Nykredit, LocalTapiola Asset Management Ltd, Robeco, RobecoSAM

GRANTS

The PRI wishes to acknowledge the following organisations for their support: Carbon War Room, Ceres, Generation Foundation, GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, Gordon and Betty Moore Foundation and Rockefeller Foundation.

IN-KIND DONATIONS

The PRI also wishes to thank the following organisations for providing in-kind access to data: MSCI, RepRisk and Vigeo Eiris.

ADVISORY COMMITTEES AND WORKING GROUPS

OVER 300 SIGNATORIES SUPPORT OUR WORK BY PARTICIPATING IN THE ADVISORY COMMITTEES AND WORKING GROUPS BELOW

ESG ENGAGEMENTS

- ESG Engagements Advisory Committee
- Cyber Security Advisory Committee

INVESTMENT PRACTICES

- Asset Owner Insight Advisory Committee
- Investment Strategies Working Group
- Manager selection Working Group
- Environmental and Social Themed Investing Advisory Committee
- Fixed Income Advisory Committee
- Bonholder engagement Working Group
- Infrastructure Advisory Committee
- Hedge Funds Advisory Committee
- Listed Equity Advisory Committee
- Listed Equity Integration Sub-Committee
- Private Equity Advisory Committee

NETWORKS

- Australia Network Advisory Committee
- Brazil ESG Practices Working Group
- Japan Network Advisory Committee
- Japan Network Awareness Raising Working Group
- Japan Network Corporate Working Group
- Japan Network Private Equity Working Group
- Japan Network Property Working Group
- Quebec Network Advisory Committee

REPORTING AND ASSESSMENT

- Reporting and Assessment Advisory Committee
- Assurance Working Group

POLICY AND RESEARCH

- Academic Research Advisory Committee
- Policy Advisory Committee
- Sustainable Financial System Advisory Group

SUSTAINABLE DEVELOPMENT GOALS

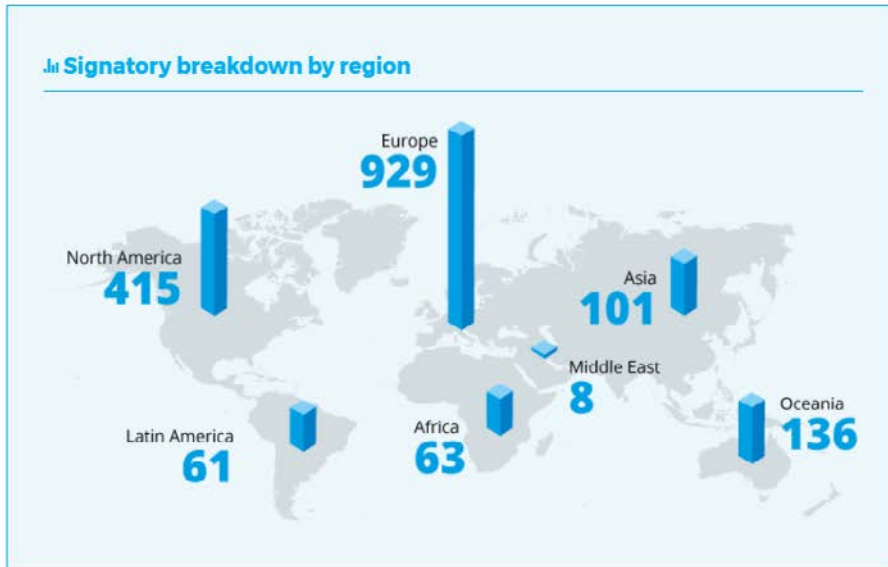
- Sustainable Development Goals Advisory Committee

See a full list of advisory committee and working group members

[READ MORE](#)

NEW AND DELISTED SIGNATORIES

THE PRI CAN'T BE REALISED WITHOUT ITS DIVERSE SIGNATORY BASE. THIS YEAR WE WERE DELIGHTED TO WELCOME 289 NEW SIGNATORIES BETWEEN 1 APRIL 2016 AND 31 MARCH 2017.



Signatory breakdown by class

2016	2017
26 AO	43 AO
156 IM	204 IM
41 SP	42 SP

AFRICA

- All Weather Capital
- Meago (Pty)Ltd
- The Consolidated Retirement Fund for Local Government
- Ithmar Capital
- Phatisa

ASIA

- Albizia Capital Pte Ltd
- Anda Asset Management
- Ant Capital Partners Co., Ltd
- Brawn Capital Limited
- CATALYST INVESTMENT MANAGEMENT
- China Asset Management Co., Ltd.
- Daido Life Insurance Company
- DBJ Asset Management Co., Ltd.
- Development Bank of Japan
- ERI Scientific Beta
- ESG Moneta Co., Ltd.
- E-Square Inc.
- Governance for Owners Japan KK
- HANSABAY PTE LTD
- INDUS Environmental Services Pvt. Ltd.
- Integral Corporation
- Khazanah Nasional Berhad

- Mitsubishi UFJ Kokusai Asset Management Co., Ltd.
- New Horizon Capital Co., Ltd.
- Nikko Research Centre, Inc
- Nippon Life Insurance Company
- Paia Consulting
- Pension Fund Association
- Polaris Capital Group Co., Ltd.
- SynTao Green Finance
- Thaipat Institute
- Welkin Capital Management

AUSTRALASIA

- AJ Financial Planning
- BT Investment Management Limited
- Carthona Capital
- Farm Venture
- Growth Farms Australia
- Gunn Agri Partners
- JANA
- Laguna Bay
- Pacific Road Capital
- QuayStreet Asset Management
- Swell Asset Management
- Whitehelm Capital Pty Ltd
- Yarra Capital Management

CENTRAL AMERICA

- Discovery Americas
- Grupo Financiero Banorte SAB DECV
- Orbis Investments

NORTH AMERICA

- Aequo Shareholder Engagement Services inc.
- AgIS Capital
- AJO
- Alinda Capital Partners Ltd.
- Angel Oak Capital (Angel Oak Capital Advisors, LLC and Angel Oak Canopy Partners, LLC)
- Angeles Investment Advisors
- ARC Fiduciary (Provisional Signatory)
- Area One Farms
- Arrowstreet Capital, Limited Partnership
- As You Sow
- AUA Private Equity Partners
- Brandywine Global Investment Management, LLC
- Bullion Management Group
- Carlson Funds Enterprise
- Causeway Capital Management LLC
- CI Investments Inc.
- Community Capital Management, INC.
- CoPower
- DuPont Capital Management
- Encourage Capital LLC
- Energy Power Partners
- Epic Capital Wealth Management
- Etho Capital
- Fidelity Investments
- Figure 8 Investment Strategies
- Formula Growth Limited
- Fort Washington Investment Advisors, Inc
- Four Twenty Seven
- Galliard Capital Management, Inc.
- GAMCO Investors, Inc.
- Gitterman Wealth Management LLC
- Global Footprint Network
- GoldenSet Capital Partners LLC
- GQG Partners
- GreenSoil Investments
- Greystone Managed Investments, Inc
- IPSOL Capital
- Juniata College
- Landmark Partners
- MacKay Shields
- Makena Capital Management
- Morningstar, Inc
- Northern Pacific Group
- Northleaf Capital Partners

- NorthPointe Capital, LLC
- Northwestern University
- ONE ELEVEN CAPITAL LLC (Provisional Signatory)
- Pathway Capital Management, LP
- Pegasus Capital Advisors
- Pekin Singer Strauss (Appleseed Capital)
- Primary Wave IP Investment Management
- Proterra Investment Partners
- Resource Management Service, LLC
- Richmond Global (Provisional Signatory)
- Rockefeller Brothers Fund
- Snow Phipps Group, LLC
- Sound Shore Management, Inc.
- Sprucegrove Investment Management
- TD Asset Management (TDAM USA Inc.)
- The Boston Company Asset Management, LLC
- The Ithaca Group
- The University of Maryland Foundation, Inc
- The Wafra Group
- Thompson Rivers University
- Tiptree Asset Management Company, LLC
- University of Toronto Asset Management Corporation (re University of Toronto Pension Plan)
- University of Toronto Asset Management Corporation (re University of Toronto Endowment)
- VanEck
- WaveCrest Wealth Management
- Wilshire Associates Incorporated
- World Resources Institute

LATIN AMERICA

- BA Desarrollo
- Brasilprev Seguros e Previdência
- Grupo Ecoagro
- Macrocapitales
- Peninsula Participações
- Radce Consultoria e Participações Ltda

MIDDLE EAST

- SDS Int'l Group (Sustainable Development Strategy International Group)
- TVM Capital Healthcare Partners

EUROPE

- 123Venture
- AB Max Sievert
- Abris Capital Partners
- ACG Management
- Adaxia Capital Partners
- Adelis Equity Partners
- ADRIGO ASSET MANAGEMENT
- Ahold Pensioenfond
- Alda Asset Management
- Alma Capital Investment Management
- Alphalymp
- Altamar Capital Partners, S.L.
- Altera Vastgoed NV
- AMBROSIA ASSET MANAGEMENT AB
- Andbank Wealth Management, SGIC
- Arctic Fund Management AS
- Arcus Infrastructure Partners LLP
- Ario Advisory
- Assogestioni
- ATP
- Audley Mineral Resources Management LLP (Provisional Signatory)
- B & Capital (Provisional Signatory)
- Barclays Asset Management Limited
- Beshertine
- Beyond Ratings
- BlueGem Capital Partners LLP
- BNP Paribas Cardif
- BNP Paribas Securities Services
- Boussard & Gavaudan
- Bpf Bouw Stichting Bedrijfstakpensioenfond
- Brummer & Partners AB
- C Hoare & Co
- Cadence Investment Partners LLP
- CaixaBank Asset Management
- CAPITAL EXPORT
- CARN Capital
- Chequers Capital
- ClearlySo
- Coeli Asset Management
- Colchester Global Investors Limited
- Consilio Asesores Patrimoniales Independientes, EAFI
- Convent Capital Management BV
- CURLEW CAPITAL LTD
- Davy Asset Management
- DDCAP Limited
- Delen Private Bank
- Die Bayerische
- DPI
- E.I. Sturdza Strategic Management Limited
- EIRIS Foundation
- EMZ Partners
- Environmental Resources Management (ERM)
- eRevalue
- Ergon Capital Partners
- Fair Oaks Capital
- First Investments BV
- Focus Asset Managers
- FundRock Management Company S.A.
- Funds For Good S.A.
- GED PARTNERS, S.L.
- GENUI
- Greencoat Capital
- Grupo Fineco
- Hartelt Fund Management
- Helios Investment Partners
- Helliott Vermogensbeheer NV
- Helsinki Capital Partners Ltd
- Herkules Capital
- HQ Trust GmbH
- Hub Culture / Ven Currency
- iBionext
- IKB Deutsche Industriebank AG
- IMPACT Partenaires
- INDEFI
- IndexHelsinki Osakeyhtiö
- Infranode
- Innova Capital
- InnovaFonds
- Intermede Investment Partners Limited
- Invest in Visions
- ISEC Group AB
- Íslandsbanki hf. (VÍB)
- IVO Capital Partners
- Jeremy Collier Foundation
- KBC Asset Management NV
- Kent County Council Superannuation Fund
- Liontrust Investments Limited
- Livonia Partners
- Lynx Asset Management AB
- MACIF
- Majedie Asset Management Limited
- MAPFRE, SA
- Mediterrania Capital Partners
- Mondrian Investment Partners Limited
- Montana Capital Partners AG
- Movestic Livförsäkring AB
- MV Credit Partners LLP
- Natixis Assurances
- NAZCA CAPITAL
- NextEnergy Capital
- Niam AB

- Niederösterreichische Vorsorgekasse AG
- Nmas1 Asset Management SGIIC S.A.U
- Nordic Credit Partners
- Nordic Equities Kapitalförvaltning
- Obligo Holding
- Oldfield Partners LLP
- Oquendo Management Sarl
- Organizational Maturity Services LLP
- Orlando Management AG
- P+ (DIP/JOEP)
- Pechel Industries
- Pensioenfonds PGB
- PERIAL
- PFA Pension
- Phenix Capital BV
- PKA
- PRIMARY CAPITAL PARTNERS LLP
- QQM Fund Management AB
- Quercus Assets Selection sarl
- Quilvest & Partners
- Quinbrook Infrastructure Partners
- RADIAL CAPITAL PARTNERS GmbH & Co. KG
- RGreen Invest
- Rivage Investment
- Sampension Administration A/S
- SCOR Investment Partners SE
- SEAYA CAPITAL GESTION SGEIC, S.A.
- SEB Life and Pension
- SEVENTURE PARTNERS
- Solidar Fonder
- Solutions Fiducie (Provisional Signatory)
- SP Global Capital (Provisional Signatory)
- Spiltan Fonder AB
- Stichting Pensioenfonds Blue Sky Group
- Stichting Pensioenfonds van de ABN AMRO Bank N.V.
- Summa Equity
- SVG Capital
- SwanCap Partners (SwanCap Investment Management S.A. and SwanCap Partners GmbH)
- Tembo Capital Management
- TENDERCAPITAL Ltd
- The Nobel Foundation
- The Pensions Infrastructure Platform
- Think ETF Asset Management
- ThomasLloyd Group
- Transport for London Pension Fund
- Tribe Impact Capital LLP (Provisional Signatory)
- Troy Asset Management Limited
- TRUSTUS Capital Management B.V
- TT International
- Tundra Fonder AB
- Unipol Gruppo Finanziario S.p.A - UnipolSai Assicurazioni
- University of the Arts London
- UTI International Limited
- Value Square NV
- Vandaalen Swiss Value Partners
- Viarentis Limited
- VISIO Asset Management
- Volksbank Vorarlberg e. Gen.
- Weberbank Actiengesellschaft
- Wermuth Asset Management

DELISTED SIGNATORIES

Signatories are delisted if they do not pay their fees, do not participate in the reporting and assessment process or choose to leave. This list also includes signatories that have ceased to operate.

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

** Denotes signatories that were delisted for failing to report in the 2016/17 reporting cycle.

- 90 North Real Estate Partners LLP
- A1 Investimentos Gestão de Recursos Ltda.
- Aalto Invest
- Ak Asset Management
- Altius Associates Ltd*
- areano AG
- Armstrong Asset Management Pte. Ltd.
- As You Sow (Delisted)
- Atlantes Operações Estruturadas
- Atlantic Asset Management (Pty) Ltd*
- Augent Partners
- Australian Institute of Superannuation Trustees (AIST) (Delisted)
- Brooke Private Equity Associates
- BSI SA
- Corporate Knights Capital
- CTE
- Dreilinden gGmbH
- Eagle Trading Systems Inc.
- EIRIS Ltd*
- Epique Oy (Provisional Signatory)
- Eureka Funds Management*
- Farol Asset Management
- Fator Corretora
- Fédérés Gestion d'Actifs*
- Fideres Partners LLP
- FINADVANCE
- FIR Capital Partners
- Focus Asset Managers
- FourWinds Capital Management
- Front Capital Ltd
- Funds@Work AG
- GCM Customized Fund Investment Group, L.P.
- Glovista Investments LLC
- GP Investments, Ltd
- Guarda Investimentos
- Holland Venture Management BV
- ICAP LLC
- Impact Shares (Provisional Signatory)
- Industry Capital
- Integrity Investment Management
- Invest Tech Participações e Investimentos Ltda
- Investo Asset Management Ltd
- ISS Ethix SRI Advisors*
- Jantz Management LLC
- Kigoda Consulting
- KKS Advisors
- Laguna Bay Pastoral Company**
- Lane Clark & Peacock Ireland
- Lenox Park
- Light Green Advisors
- Ludgate Investments
- Maiora Asset Management Pte Ltd
- Maplecroft
- Morningstar Investment Consulting France
- Mulkia Investment
- MUSTARD CAPITAL PARTNERS LIMITED
- Nelson Capital Management*
- New Zealand Fire Service Superannuation Scheme
- Northward Capital
- Oaks Field Partners
- PAPE Fund Managers
- Park Street Capital
- Pioneer Capital Partners
- Platypus Asset Management Pty Ltd**
- PT. Gistec Prima
- Responsible Investment Association Canada
- Rhein Asset Management (Lux) S.A.
- Rob Lake Advisors Ltd.
- SISTEL
- Slocum*
- Swiss Alpha
- The Varhad Group
- TorreyCove Capital Partners LLC
- Tramontana (Provisional Signatory)
- Vescore*
- VIAGEFI*
- Vicinity Centres
- Victoire Brasil Investimentos
- XAnge Private Equity*

SUSTAINABILITY

AT THE PRI, WE KNOW THAT OUR WORK HAS ENVIRONMENTAL, SOCIAL AND GOVERNANCE IMPACTS.

Most of the PRI's impact is positive and happens indirectly via the work that we do to help our 1,700 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. We do this through:

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. We strive to make sure our events are as green as possible. For example, we acknowledge that PRI in Person has the potential to impact the environment and that it is our duty to proactively manage this. In 2016, we offset the emissions related to the event by investing in South Pole Group's climate protection project: Water waste treatment in Thailand. We are proud to have offset 2977 tonnes of CO₂e. The event is also paperless and we only provide vegetarian meals.

[READ MORE](#)

SOCIAL

We believe that our employees have the right to work in an environment of dignity and respect. As such, we are accredited as a Living Wage Employer, whereby we ensure that our staff are paid a salary that will ensure a good standard of life. We believe that this is not only the right thing to do for our employees, but the right thing to do for our business too.

We are also against unpaid internships and ensure that interns are paid a decent and fair salary.

To ensure a positive working culture, we invest in the training and development of our staff; have set up a staff committee to provide impact on issues that affect employee satisfaction; and will align our work with the UN Guiding Principles on Human Rights.

GOVERNANCE

Good governance at the PRI includes annual signatory elections, term length limits for Board Directors, publishing Board meeting attendance and compensation records and clear separation between the roles of Managing Director and Chair. The PRI has a board diversity policy in the belief that diversity contributes to high-performance.

We are committed to ensuring a fair, transparent, cost-effective and accountable process in the purchasing and provision of goods and services to our signatories and other stakeholders. We have a procurement policy in place to provide direction to staff in relation to tendering, contracting and procurement activity. The policy aims to establish a framework that will, among other things, appropriately manage risk, ensure the efficient, effective and responsible use of resources, and deliver best value for money.

Our public communications policy ensures we advocate for the uptake of the six Principles and responsible investment, but that we don't speak on behalf of our signatories.

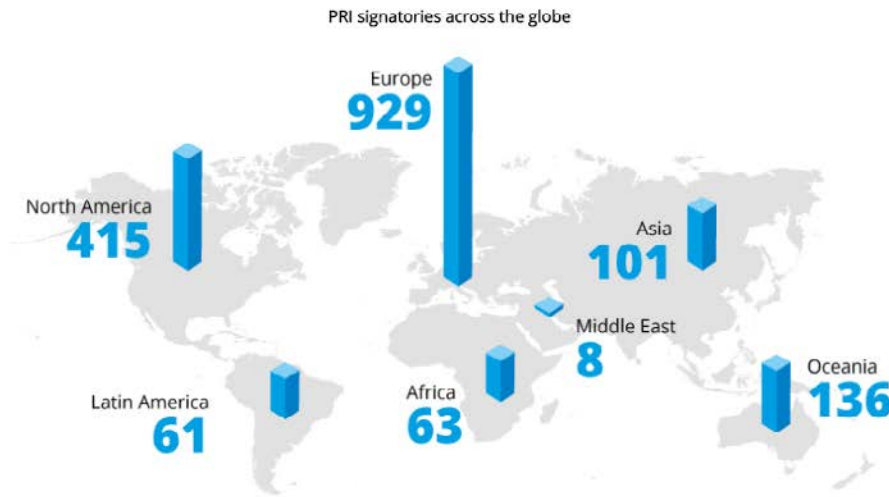
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DATA SNAPSHOT

THE PRI IN NUMBERS

Easily access more data, including Transparency and Assessment Reports, via our [Data Portal](#).



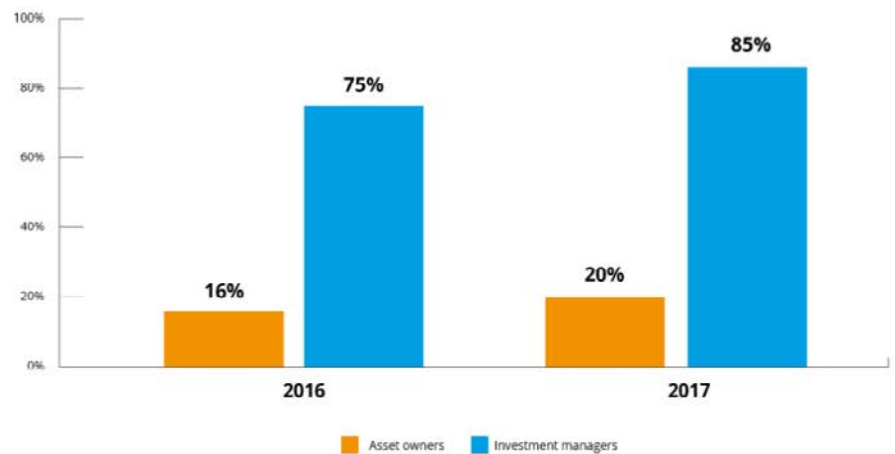
Asset owner breakdown by type

Asset Category (All AO signatories)	Count
Corp. pension/super/retire/provident	71
Development finance institution	10
Endowment	21
Family office	3
Foundation	29
Insurance company	49
Non corp. pension/super/retire/provident	126
Other	16
Reserve - sovereign or government controlled fund	19
Grand total	346

Amount of signatories that reported per category

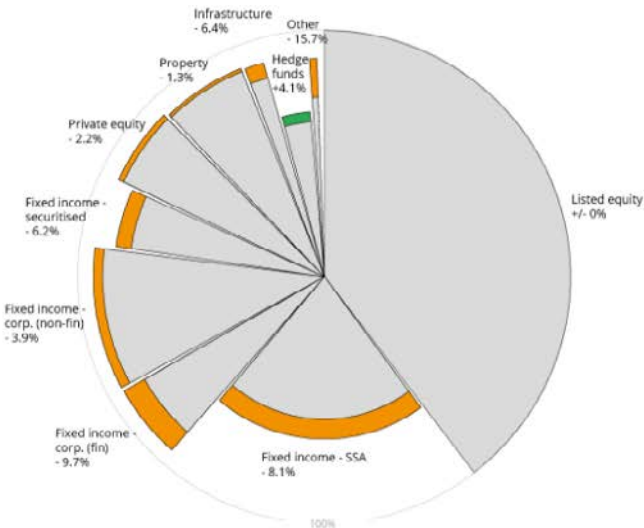
Asset owners	303	23%
Investment managers	945	72%
Service providers	63	5%

AUM market penetration of PRI signatories

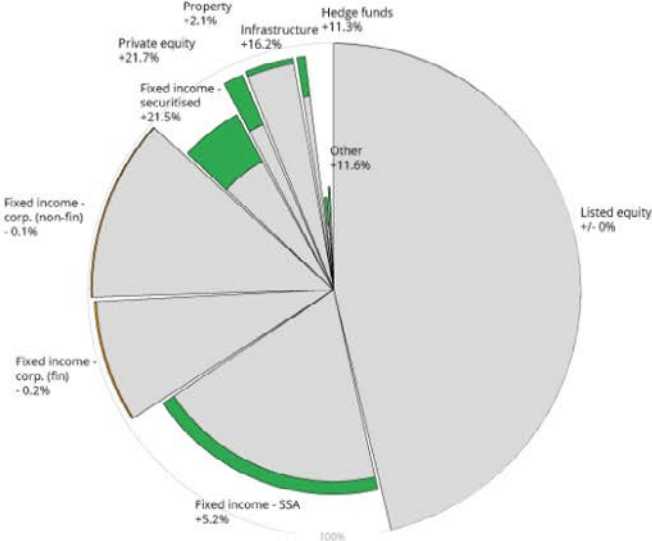


95% of PRI asset owners' AUM is represented in the market penetration analysis. It includes the following categories: family office, insurance company, reserve-sovereign or government controlled fund, foundation and endowment, corporate and non-corporate pensions (Source: noted in Findings - AO: "2017 - AO Category")

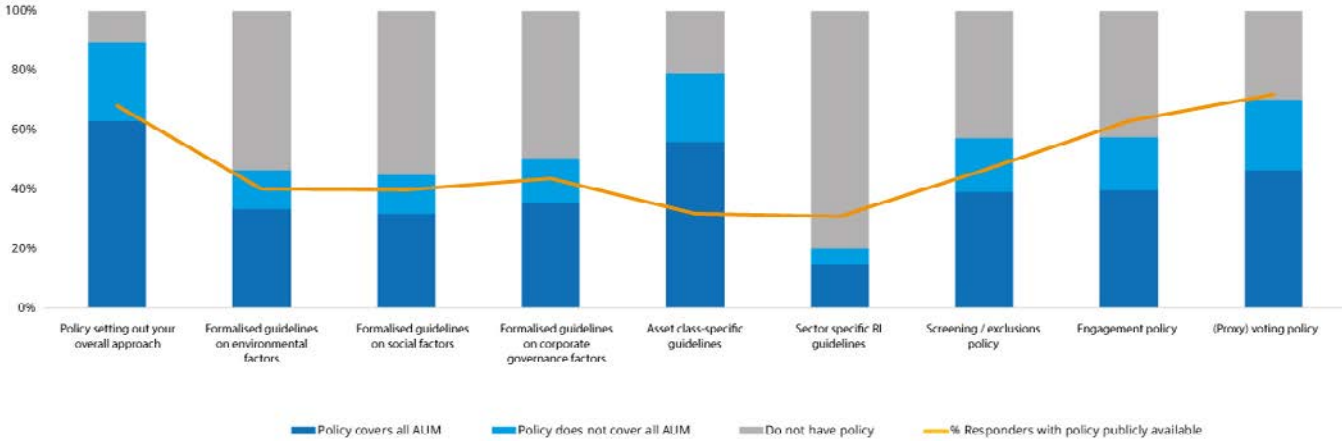
Assets indirectly managed by asset owners covered by responsible investment practices (% AUM)



Assets directly managed by investment managers covered by responsible investment practices (% AUM)



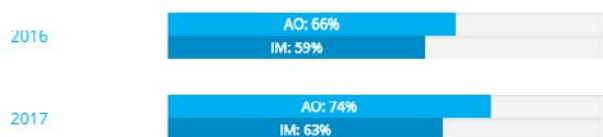
Policy components and public disclosure of policy



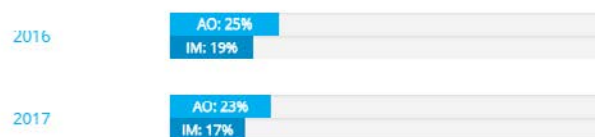
Objectives set by signatories to ensure responsible investment practices

Objective	2016	2017
Improved communication of ESG activities within the organisation	42%	49%
Improved ESG incorporation into investment decision making processes	41%	46%
Joining and/or participation in RI Initiatives	36%	38%
Provide training on ESG incorporation	30%	35%
Improved engagement to encourage change regarding management of ESG issues	26%	30%

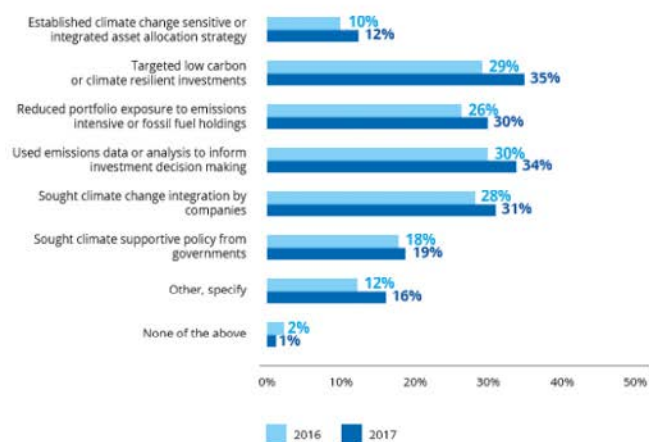
Asset owners and investment managers who see climate change as a long-term threat



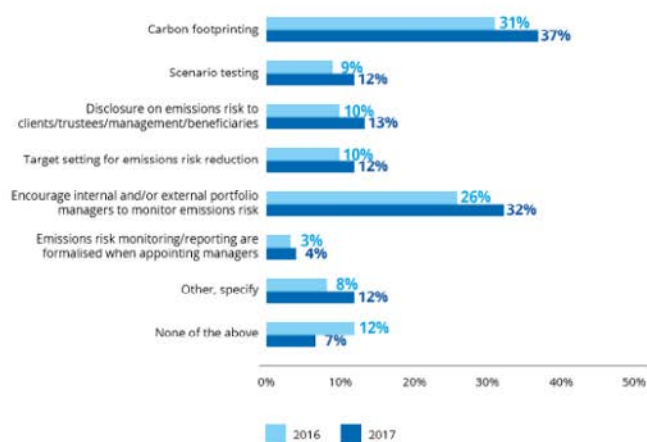
Percentage of signatories disclosing on voluntary reporting indicators



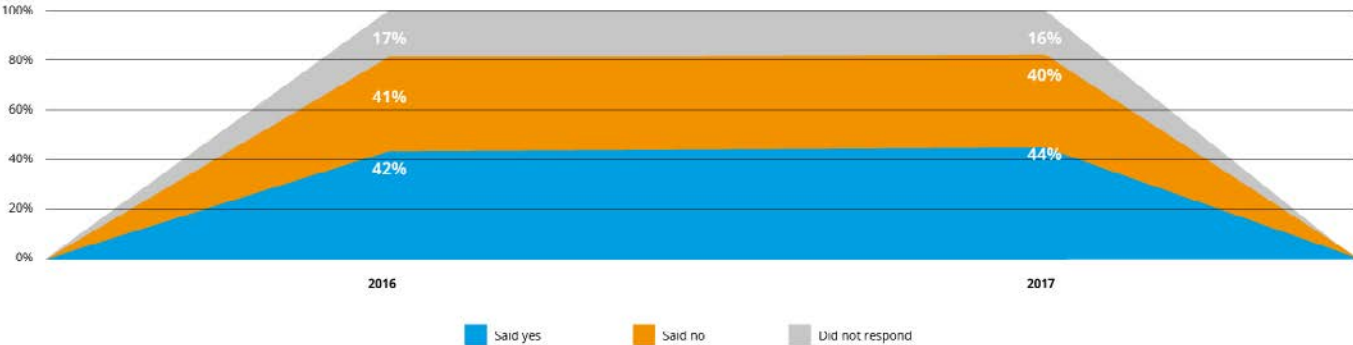
Activities signatories report they undertake to combat climate change



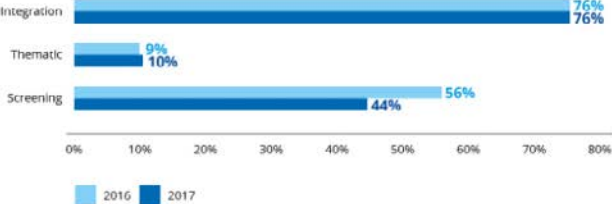
Tools signatories report they use to combat climate change



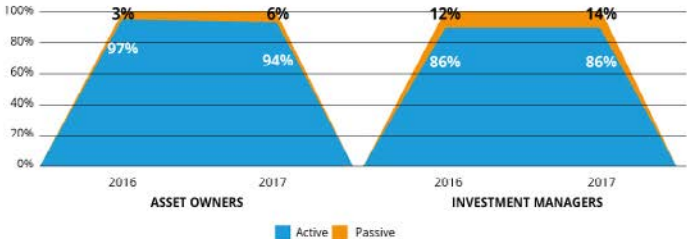
Signatories responding to Reporting Framework indicating engagement with policy makers



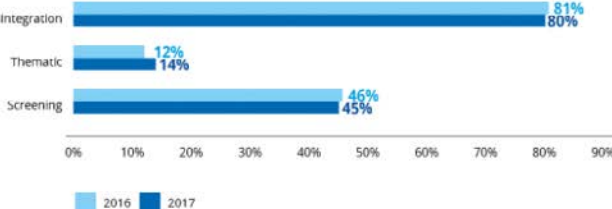
Active strategies employed by signatories managing fixed income assets



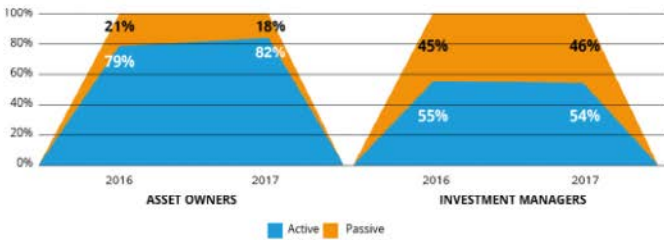
Split of directly managed fixed income assets by active and passive strategies (% AUM)



Active strategies employed by signatories managing listed equities assets



Split of directly managed listed equity assets by active or passive strategies (% AUM)



The Principles for Responsible Investment (PRI)

The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

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

More information: www.unpri.org



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

United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a unique partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 200 financial institutions that are signatories to the UNEP FI Statement on Sustainable Development, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

More information: www.unepfi.org



UN Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 Local Networks.

More information: www.unglobalcompact.org

