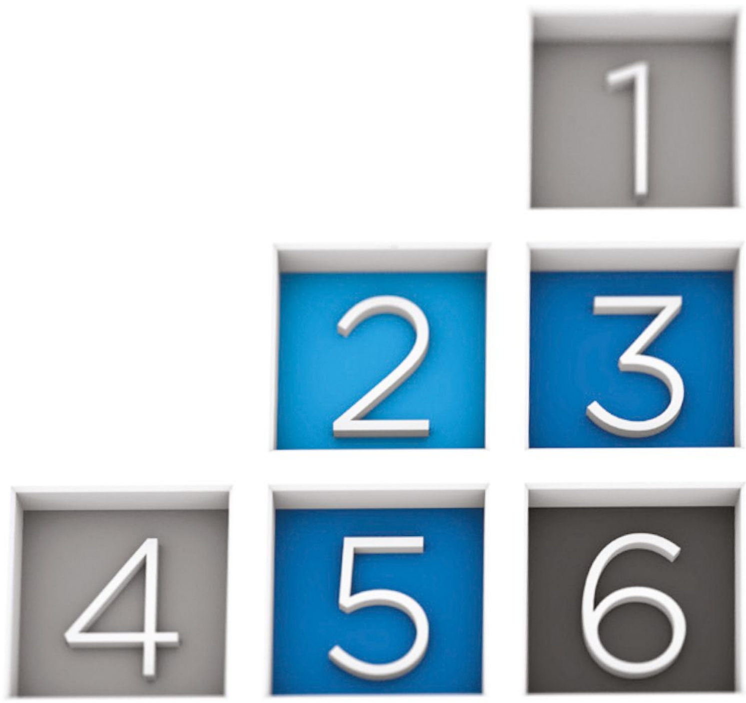
PRI Principles for Responsible Investment

GETTING STARTED WITH COLLABORATIVE ENGAGEMENT

HOW INSTITUTIONAL INVESTORS CAN EFFECTIVELY COLLABORATE IN DIALOGUE WITH COMPANIES

THE SIX PRINCIPLES

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. **We will be active owners and incorporate ESG issues into our ownership policies and practices.**
3. **We will seek appropriate disclosure on ESG issues by the entities in which we invest.**
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. **We will work together to enhance our effectiveness in implementing the Principles.**
6. We will each report on our activities and progress towards implementing the Principles.



This publication is intended to promote the application of Principles 2,3 and 5 of the Principles for Responsible Investment (PRI). The Principles for Responsible Investment (PRI) Initiative was launched by the United Nations in 2006 after former UN Secretary-General Kofi Annan brought together a group of the world's largest institutional investors, academics and other advisors to draft a set of sustainable investment principles. At the heart of the six Principles for Responsible Investment is the premise that investors have a duty to act in the best long-term interests of their beneficiaries; this means taking into account environmental, social and governance factors.

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INTRODUCTION

This handbook is designed to provide a practical introductory guide on engaging collaboratively with listed companies on environmental, social and governance (ESG) issues.

Engagement is the process through which investors use their influence to encourage companies they invest in to improve their management of ESG issues. This may, in turn, improve the companies' financial performance and the long-term performance of investment portfolios. [1] This "active ownership" corresponds to the second of the six Principles to which all signatories of the United Nations-supported Principles for Responsible Investment (PRI) subscribe: "We will be active owners and incorporate ESG issues into our ownership policies and practices." It also corresponds to Principle 3, which encourages investors to press for good ESG disclosure by investees and Principle 5 which encourages investors to work together with other signatories to enhance their effectiveness in implementing the principles.

While the primary focus of this document is on dialogue with companies, engagement with policy makers can be a valuable and effective tool that is often a complementary part of an engagement strategy. Insights and lessons learned included in this publication can also be used as a reference point for other types of investor collaborations.

CHAPTER 1

provides an overview of collaborative engagement, examining the benefits and challenges of collaboration, and exploring when collaborative engagement may – or may not – be the best way to achieve investors' goals.

CHAPTER 2

presents the four elements necessary for any collaborative engagement to be successful: commonality, coordination, clarity and clout. It offers practical guidance on all stages of the process of putting together a collaborative investor group, This chapter also includes information on the PRI Clearinghouse, the global hub that enables investors to pool resources to drive change within the companies they own, or to more effectively influence public policy.

CHAPTER 3

walks through the four stages of engagement between an investor group and a group of target companies. These include **preparation**; beginning the **dialogue** and following up with companies; **escalation** where necessary; and **concluding** the engagement by evaluating its effectiveness and sharing results.

Further Resources are included at the end.

The insights in this report result from the analysis of case studies of collaborative engagements undertaken through the PRI Clearinghouse, and interviews with 27 PRI signatories (11 asset owners, 13 investment managers and three service providers), an expert from another investor initiative and 12 UN Global Compact (UNGC) [2] companies.

FEATURED CASE STUDIES

Case Study #1: Improving the quality of Carbon Disclosure Project (CDP) disclosure

Case Study #2: Engaging with UNGC companies on their Communication on Progress (COP)

Case Study #3: Engaging with companies on anti-corruption measures

Case Study #4: Engaging with electronics companies on sourcing conflict minerals

Case Study #5: Improving sustainability disclosure in Brazil

1 For more information, please see 'Why be an active owner?' on the PRI website.
2 More information is available at www.unglobalcompact.org

TIPS FOR SUCCESSFUL COLLABORATIVE ENGAGEMENT

Collaborative engagement, when done well, can enhance investors' influence, build their expertise, and improve efficiency of the engagement process by sharing the workload and costs. The following tips are useful to ensure the success of an initiative:

LAYING FOUNDATIONS FOR SUCCESS WITHIN A COLLABORATIVE GROUP – THE 4 C'S:

- **Commonality** – a clear shared understanding of the ESG issue at hand, and the rationale for working collectively to address it, can avoid disagreements among group members later in the process.
- **Coordination** - matching the group's resources to the scale of the initiative lays the foundations for success. A third party coordinator can facilitate the work of the group.
- **Clarity** – a shared understanding among an investor group of 'ground rules' – for example what information can be made public – helps to build trust and avoid miscommunication.
- **Clout** – regular communication between responsible investment specialists and portfolio managers can enhance the clarity and strength of the message companies receive.

KEY CONSIDERATIONS IN THE ENGAGEMENT PROCESS:

- **Research and preparation** – a successful dialogue relies upon a well-informed investor group with a solid understanding of the unique characteristics and circumstances of the company, the materiality of the issues, and the business case for the company to act.
- **Clear common goals** – agreed goals enable an investor group to track changes in company performance over time and evaluate the progress of the collaboration.
- **Commit resources** – successful engagement often requires sustained effort. Group members should be prepared to put time and energy into the dialogue, often through a series of meetings over an extended period of time.
- **Escalation strategy** – agree as a group on the strategies you may pursue to escalate engagement, in cases where the company is not open to dialogue or where dialogue has not been constructive.
- **Consider policy engagement** – engaging with policy makers can often complement company dialogue. Policy change, where achieved, can create an environment conducive to change among companies.
- **Evaluate outcomes, and consider communicating them** – Where possible, publicly highlighting engagement outcomes and lessons learned can encourage other investors to collaborate and demonstrate to other companies that shareholders take ESG issues seriously.

1. OVERVIEW OF COLLABORATIVE ENGAGEMENT

Collaborative shareholder engagement occurs when a group of institutional investors come together to engage in dialogue with companies on environmental, social and governance (ESG) issues. By speaking to companies with a unified voice, investors can more effectively communicate their concerns to corporate management. The result is typically a more informed and constructive dialogue. Investors can benefit substantially from engaging collaboratively, but this approach can also present a series of challenges.

BENEFITS OF COLLABORATIVE ENGAGEMENT

BUILDING KNOWLEDGE AND SKILLS

Working as a group and drawing on the perspectives and expertise of a range of organisations can help investors to develop:

- a clear shared understanding of the issue or issues
- an authoritative business case for action
- a clear view of the desired corporate response

This collective expertise can be particularly helpful when engaging with a company on a highly complex issue or with a company that operates in a challenging environment, as investors sometimes find it more difficult to access information in these situations.

Geographic and cultural diversity within a group can also enable investors to share local knowledge and contacts, and to take a more nuanced approach to engagement that is sensitive to the economic, regulatory and cultural context of different markets.

Investors without substantial resources or experience on a topic can also benefit by working with and learning from others in a group with more expertise.

> "[Collaborative engagement] gives you access to skills that you and your team may not have, gives you a fresh look at things, helping you to get new ideas and it may help you to test different approaches to engagement that perhaps might get better results."
>
> David Couldridge, Senior Investment Analyst, Element Investment Managers

EFFICIENCY

For institutional investors, collaboration can be a more efficient means of engagement. It can:

- avoid duplication of effort among investors, while enabling them to channel their concerns in a systematic and consistent manner.
- allow multiple parties to share the costs of research as well as the development and dissemination of principles and guidelines. [3]
- share tasks and responsibilities according to shareholdings, expertise and location, potentially increasing the overall impact of engagement.
- offer smaller and resource-constrained investors the ability to lend their names and shares to the collaboration process.

> "If you have ten investors involved... you can have an effective dialogue with ten companies without having to engage directly with all of them yourself, which means you can commit less resources at an individual level to have maximum impact."
>
> Arisa Kishigami, Executive, ESG, FTSE Group

ENHANCED POWER AND LEGITIMACY

Research has shown that through collaborative action institutional investors can increase the weight of their demands on ESG issues in the eyes of corporate management. [4] A group that includes different types of organisations (asset owners, investment managers and service providers with varying investment

3 Guyatt, Danyelle, May 2007. Identifying and Mobilizing Win-Win Opportunities for Collaboration between Pension Fund Institutions and their Agents, Rotman International Centre for Pension Management.
4 Gond, J.P. and Piani, V., 2013. Enabling Institutional Investors' Collective Action: The Role of the Principles for Responsible investment. *Business & Society*, 52(1), pp. 64-104.

"It is a bit hard for a company to ignore an issue when there is a decent portion of their shareholder registry on the list of investors raising concerns."

Tim Macready, Chief Investment Officer, Christian Super

strategies, shareholdings and roles in the investment chain) will be more likely to formulate robust engagement strategies and better influence change. Due to the collective reputation, size and weight of the alliance members, an invitation to engage can be difficult for a company to ignore. Collaborating can be particularly helpful in gaining access to management with companies that have not been responsive to requests to engage by individual investors.

CHALLENGES OF COLLABORATIVE ENGAGEMENT

COORDINATION COSTS

Collaborative engagement tends to be a more complex process than individual engagement, and thus generally requires one party to take responsibility for coordination.

In-kind costs can include time spent coordinating the group's activities, helping the group to build consensus and a common position, and making sure that each member is well informed throughout the engagement process. These costs can be borne by the investors leading the alliance, or by a third party (such as the PRI Clearinghouse team) which acts as facilitator of the collaborative initiative.

The need for coordination among a group can also make collaborative engagement a lengthier, slower process, which may lead some investors to opt to work independently.

"The primary challenge of any voluntary initiative is to keep the train moving, so to speak... someone needs to ensure that the initiative is moving forward, that concrete steps are being taken and that all parties are on the same page regarding their expectations ... if those key elements are not present, the initiative's effectiveness will be diminished."

Mike Lombardo, Senior Sustainability Analyst and Manager, Calvert Investments

REACHING AGREEMENT

While working with a diverse group can bring together differing perspectives and expertise and help to build a robust engagement strategy, doing so may also mean that investors within the group have different objectives. Some may want to push a company to make more stretching changes (for example, adopting specific targets in relation to an ESG issue), while others may be content with a company making more minor changes (for example, agreeing to consider setting objectives in relation to the issue). If a compromise cannot be reached, the group may only be able to agree on the less stretching goal, which may leave those with more ambitious aims dissatisfied.

REGULATION

Investors may encounter regulatory barriers to collaboration such as those relating to controlling bids and anti-trust. A specific example is 'acting in concert' legislation in some markets (e.g., the European Union and South Africa). While these rules are generally not designed to apply to investor collaboration on ESG issues, in some cases uncertainty and ambiguity in the definitions has made some investors hesitant to become involved. European and South African investors have sought and received some clarification on these issues from regulators. [5]

COLLECTIVE ACTION ISSUES

In the case of collaborative shareholder dialogue, a small group of investors could take action to influence the ESG practices of a group of companies. Though only a small group of investors bear the costs of the engagement, all shareholders stand to benefit from eventual reduced risks and improved corporate performance.

5 See for example: PRI South Africa Network Engagement Working Group with Executive Director of the Securities Regulation Panel, May 2012. Collaborative engagement: Takeover Regulation Panel. Available at: http://www.jse.co.za/Libraries/SRI_-_PRI_Collaborative_Engagement/20120531-_PRI_Collaborative_Engagement.sflb.ashx

Similarly, while a large number of investors may sign on to a collaborative initiative, some may not substantially contribute to the project, leaving it to a smaller group of committed investors to do all the work. Institutional investors have different resource constraints, and some may have no choice but to play a limited role and contribute to the collaboration by simply lending their names or shares to the engagement. However, not all investors are discouraged by this issue, as some place more value on building a large group of supporters who can enhance the legitimacy of an initiative than on the distribution of work across a group.

INDIVIDUAL VERSUS COLLABORATIVE ENGAGEMENT

Some investors consider it more practical and effective to engage with portfolio companies on an individual basis. This can be the case when an issue has emerged requiring immediate interaction with companies, or when an investor already has a good relationship with the management of a particular company. Competitive issues may also limit the interest of investment managers in collaborating with their peers, as they may not want to share knowledge or information that they believe to be their competitive advantage. Some investors may also be interested in working only with investors they consider 'like minded'; some asset owners may only be interested in engaging alongside other asset owners for example. Other investors, typically significant shareholders, may believe they can sufficiently influence companies through individual engagement, and thus may feel they do not need to work with others.

Nevertheless, under the right circumstances, collaborating with other institutional investors can be an effective way to pool knowledge and information as well as to share costs and risks to achieve influence and gain corporate managers' attention. Complex market transformation is also more likely to be achieved by an alliance of investors rather than a single institution, even a very large one, acting alone. [6]

BENEFITS AND CHALLENGES OF COLLABORATIVE ENGAGEMENT FOR COMPANIES

Investor collaboration may benefit companies in several ways:

- Can address the issue of questionnaire/engagement fatigue by providing the opportunity to focus on a dialogue with a group of investors, rather than having many similar, separate conversations
- Can help companies to collect broader feedback, particularly on overall corporate ESG strategy and key performance indicators
- Where an investor group has developed significant collective expertise on an issue, this can benefit the quality of the dialogue.

However, it can also pose distinct challenges:

- May allow for less in-depth and more formal discussions, as compared to one-on-one meetings
- May be more complicated to manage, in the case that a group is not well coordinated and has differing views on topics and company performance.

"Interacting with a group of investors is very efficient in terms of time and can be more intellectually stimulating in terms of hearing different points of view. At the same time, investors often have different areas of interest and one-on-one discussions remain critical."

Mark Preisinger, Director, Corporate Governance, The Coca-Cola Company

6 Thamotheram, R. and Wildsmith, H., 2007. Increasing Long-Term Market Returns: realising the potential of collective pension fund action. *Corporate Governance: An International Review*, 15(3), pp. 438-454.

2. BUILDING THE FOUNDATIONS OF A SUCCESSFUL COLLABORATION

Typically, engagement begins when one or more investors identifies an issue or specific ESG risk relating to a particular company or sector, and does some initial research to determine whether there is a business case for the company to take steps to respond. The investor may then decide they'd like to engage, and perhaps reach out to colleagues and peers to gauge interest in engaging collaboratively.

Once a group of investors have decided to work together, it is essential to lay the groundwork that will lead to the best possible outcomes for the group. Some important steps for an investor group to take prior to and throughout the engagement process, to help all parties work together in the most effective way possible include:

"When the group's objectives are clearly articulated, it is easier for investors to get involved."

Jennifer Coulson, Manager, Shareholder Engagement, British Columbia Investment Manager Corporation (previously with NEI Investments)

COMMONALITY

- Before the process starts, develop a common understanding of the rationale for the dialogue, expected outcomes, and the reason for investors to collaborate, with potential participants.
- Negotiate a common position around the issue, agree what the group will ask companies to do, and the engagement style and approach to start dialogue.
- Establish whether and how the engagement topic is aligned with each member's responsible investment policies.
- When there is diversity among the participant investors (i.e., in category types, portfolio size, etc.), identify where concerns overlap and develop a common outward-facing identity.

COORDINATION

Determine which investor(s) will organise and facilitate group discussions, define agendas, assemble research and coordinate meetings with companies. A third party coordinator, such as the PRI Clearinghouse team plays this role in engagements coordinated by the PRI.

- Identify appropriate target companies that are relevant to group members' portfolios.
- Manage ambitions and the scale of the company list in relation to the resources of the group.
- Divide the workload among collaborators. Develop various roles for investors to play and ways in which they can contribute to the process, recognising the different attributes and knowledge that investors bring to the group. Less experienced investors should be given the opportunity to build their knowledge base.
- Ensure that group members commit sufficient resources to guarantee their regular participation throughout the agreed engagement period.

"[Engagement] works on a strong degree of personal trust. If you are going to say things, you don't want them necessarily repeated in the press or publicly."

Frank Curtiss, Head of Corporate Governance, Railways Pension Trustee Company Limited

CLARITY

- Agree in advance on what information will be made public during and after engagement. This will help to maintain trust among the group and avoid miscommunication.
- Having divided the workload, it is important to be clear about the role each investor is playing and who is doing what.

CLOUT

- Ensure participants in the group have the necessary authority to make decisions on behalf of their organisations.
- Aim to involve investor representatives with a similar level of knowledge, seniority and expertise regarding the topics and companies with which they are engaging.

- ESG analysts should liaise with portfolio managers from their organisation to clearly formulate linkages between ESG issues and financial performance. Regular communication flow between responsible investment specialists and portfolio managers is also crucial to ensure consistent messaging with company management.
- Build on existing relationships and other dialogues, and draw on prior experiences, to help identify the right engagement strategy.

"It is useful to collaborate with people with experience in shareholder-company dialogue. And it is important that at least one investor in the group has deep knowledge of the ESG issues being discussed."

Francois Meloche, Extra Financial Risk Manager, Comité syndical national de retraite Bâtirente

THE PRI CLEARINGHOUSE

In early 2005, former United Nations Secretary-General Kofi Annan invited a group of the world's largest institutional investors to join a process to draft the Principles for Responsible Investment.

Once the Principles themselves were launched, one of the first priorities of the Initiative was to set up a shareholder engagement forum to enable Principles 2, 3 and 5 (on active ownership, seeking disclosure and collaboration, respectively) to be taken forward.

The PRI Clearinghouse has since become the largest global platform for collaborative investor engagement initiatives. Its vision is to foster sustainable long-term value creation through collaboration, benefiting the environment and society as a whole.

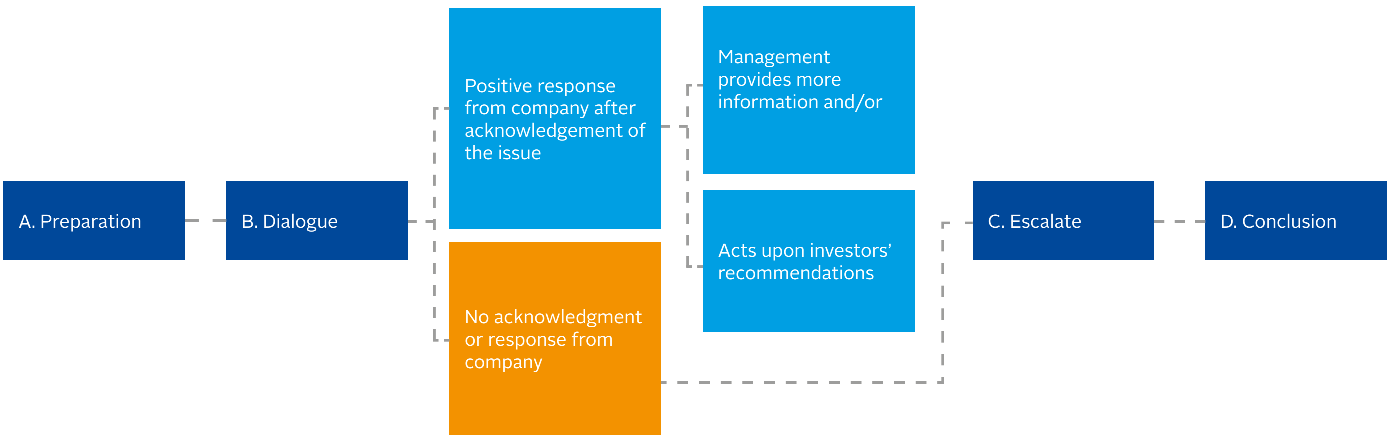
Supported by a seven-person team, the Clearinghouse provides signatories to the Principles with a private forum to pool resources, share information, and enhance influence in engagements with companies, policymakers and other actors in the investment value chain on ESG issues across different sectors and regions. The team also directly coordinates approximately 15 in-depth collaborative engagements at any given time on key environmental, social and governance themes.

The Clearinghouse is available exclusively to PRI signatories. Over 400 signatories have been involved in at least one collaboration since the platform was launched at the end of 2006, and nearly 500 proposals have been posted. Asset owners, investment managers, and engagement service providers can post invitations to collaborate, and all PRI signatories can be involved in collaborative proxy voting and engagement activities.

For more information and examples of the range of projects undertaken through the platform, see:

http://www.unpri.org/areas-of-work/clearinghouse/.

3. HOW TO CONDUCT A COLLABORATIVE ENGAGEMENT



Once an investor group has identified one or more ESG issues and agreed to engage collaboratively to address them, the process of collaborative shareholder dialogue with companies typically follows a series of stages.

"You need to approach companies with a sound argument, with other investors backing you, and you should have examples of how what you propose can be beneficial, or examples of how not considering what you propose could result in a loss of value."

Brian Rice, Portfolio Manager, California State Teachers' Retirement System (CalSTRS)

STAGE 1: PREPARATION

RESEARCH AND EDUCATION

Research is essential to develop a strong business case to support the engagement by identifying the alignment between the concerns of investors (with their financial interests) and those of the target companies (focused on competitive advantage, reputation and survival). Where group members have different levels of expertise on a topic, doing research or having calls with external experts can be a valuable way to build common understanding before initiating dialogue.

As part of the research process, the group should:

- Collect information from all relevant sources (i.e., experts, service providers, brokers, academics, NGOs, and media covering the topic) to gain a full picture of the issue.
- Reach a common view on the importance of the topic, its materiality for companies and investors, and which companies are leaders and laggards.
- Review existing material from companies and any external benchmarks or indices to determine what each company is already doing with respect to the issue.
- Identify appropriate benchmarks or examples of good practice by peer companies to draw upon during dialogues.
- Determine what the group will ask companies to do – for example, adopt a policy in line with international standards or guidelines, set objectives and targets to improve performance, or disclose more information.

PLANNING

It is essential for the investor group to set clear short, medium and long-term goals for improvements in target companies' ESG performance and/or disclosure that it expects to result from the dialogue, and to review those goals regularly to assess its progress.

Once an investor group has set its goals, it should establish a clear action plan and timeline, including all process milestones and engagement strategies.

CASE STUDY #1
IMPROVING THE QUALITY OF CARBON DISCLOSURE PROJECT (CDP) DISCLOSURE

OVERVIEW

Between February 2010 and February 2013, a group of 23 PRI signatories representing US$ 2.8 trillion in assets under management conducted a collaborative engagement to improve the quality of disclosure through the CDP among carbon-intensive portfolio companies.

THE APPROACH

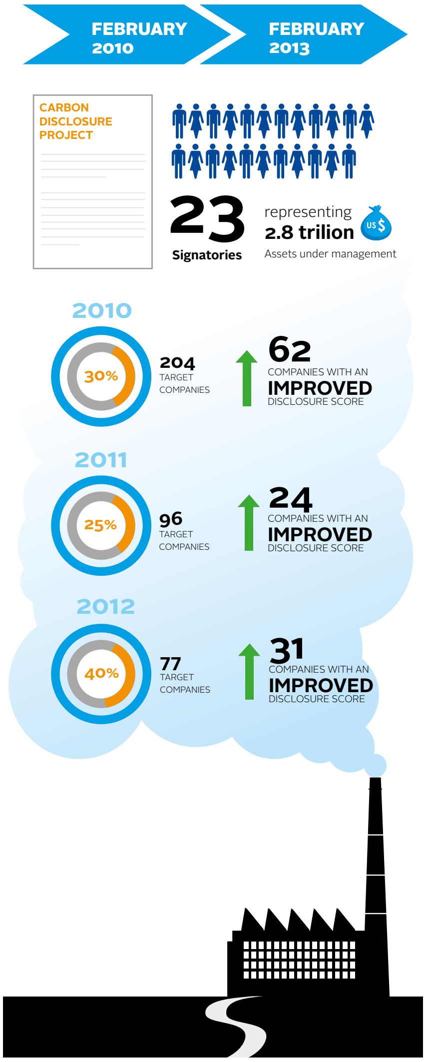
During the annual CDP questionnaire response period (February – May), the investor group sent a joint letter to companies in emissions-intensive sectors whose climate disclosure score had been in the bottom quartile among respondents in the previous year.[7] Investors then followed up through phone calls or meetings with a subset of target companies to discuss strengths and weaknesses in their climate disclosure, reiterate the value of this information for investors, and encourage them to improve the quality of information provided in the next questionnaire.

THE RESULTS

In 2010, 62 (30%) of the 204 companies engaged with improved their disclosure score to the extent that they were no longer in the bottom quartile of respondents in CDP 2010. In 2011, 24 (25%) of the 96 companies followed suit, and in 2012, 31 (40%) of the 77 companies did so. Highlighting the importance of follow-up dialogues, as opposed to writing stand-alone letters , among the 12 companies followed up in 2011, 50% subsequently moved out of the bottom quartile, while in 2012, 7 (58%) of the 12 companies where there was follow-up dialogue moved out of the lowest quartile.

WHAT WORKED

The CDP is a well-known and widely supported investor initiative, and its Disclosure Index provides a clear, transparent benchmark that is useful for both investors and companies. During the research and dialogue stages of the engagement, investors made good use of the CDP data and benchmark, which facilitated high-quality conversations on disclosure weaknesses. The index provided a clear illustration of the quality of companies' disclosure in comparison to peers, which motivated companies to improve their disclosure scores. Follow-up dialogue proved crucial in improving the overall success of the initiative.



7 As assessed through the annual CDP scoring process linked to the Carbon Disclosure Leadership Index

IDENTIFYING THE RIGHT CORPORATE REPRESENTATIVES

Depending on practices within the local market and whether or not members of the group have existing relationships with companies, investors may be able to have a direct dialogue with senior or executive management, or may have to start by contacting the investor relations department. Regardless of who the first point of contact is, investors should identify an internal champion who is able to effectively communicate investors' views within the company.

While the seniority of company representatives is undoubtedly a consideration in the engagement strategy, it is also important that the company representatives have extensive knowledge of the ESG issues being raised in order to ensure that the dialogue is meaningful and productive. Managers with specific technical expertise on the topic can often provide useful information on operations, available data and current practices.

However, it is also important that the issues raised are communicated to senior company executives. This is sometimes achieved by the investors' interlocutors following up internally or by the investors themselves having subsequent

CASE STUDY #2
ENGAGING WITH UN GLOBAL COMPACT COMPANIES ON THEIR COMMUNICATION ON PROGRESS (COP)

OVERVIEW

2012 marked the fifth year Aviva Investors led the collaborative engagement with UN Global Compact member companies on their Communication on Progress (COP) [8]. PRI signatories representing US$ 3 trillion in assets under management joined together to: (a) welcome advanced-level reporting [9] among some companies, and; (b) encourage non-communicating companies to submit their COP and regain active status in the UN Global Compact.

THE APPROACH

Aviva, along with 32 PRI signatories, corresponded with 116 companies in total, including 25 who were not communicating. Investors and the PRI Secretariat followed up directly with all non-communicating companies via email or phone and engaged the UN Global Compact's local networks to identify appropriate company contacts when needed.

THE RESULTS

By the close of the engagement in December 2012, 19 companies (76%) submitted their COP, regaining their active status. In previous years, this engagement had seen between 33%-48% of previously non-communicating companies submit their Communication on Progress following the engagement.

WHAT WORKED

Finding the right contact point within a company was key to success. In many cases, companies moved quickly to submit their COP once the right point of contact was established. Consistent and frequent email and phone follow-up appeared to further enhance this engagement, as did having local-level contact points. The engagement proposal and request of companies was also clear and straightforward, which allowed for broad support by PRI signatories.

8 UN Global Compact Companies commit to issue an annual Communication on Progress (COP), a public disclosure to stakeholders (e.g., investors, consumers, civil society, governments, etc.) on progress made in implementing the ten principles of the UN Global Compact, and in supporting broader UN development goals. See more information at: http://www.unglobalcompact.org/COP/index.html

9 Visit: http://www.unglobalcompact.org/docs/communication_on_progress/GC_Advanced_COP_selfassessment.pdf

meetings with top management or board-level representatives with decision-making power.

UNDERSTANDING WHAT COMPANIES ARE LOOKING FOR

Based on feedback from company representatives in previous studies and interviews with the PRI Secretariat, [10] engagement is most effective when investors:

- **Focus on the business case and materiality**. Managers are more likely to incorporate ESG strategies into their organisations when doing so is clearly associated with greater economic opportunities, increased competitiveness and improved long-term prospects for the firm [11] Materiality could also be related to ESG issues that are particularly relevant for a company's stakeholders. The dialogue can then focus on the issues that may affect the company's bottom line if not adequately addressed. Tools such as the Value Driver Model, developed jointly by the UN Global Compact LEAD and the PRI, can be used to help identify how ESG issues are linked to the company's strategy. This can help ensure the engagement is framed around a solid business case and help investors and companies to better communicate. [12]
- **Demonstrate a holistic understanding of the companies' performance and strategy**. Interviews conducted by the PRI Initiative found that companies feel some investors tend to lack an understanding of how the company's business operates. A holistic evaluation can clarify how both companies and investors are focused on attaining similar goals.
- **Align requests with international standards, where possible**. During interviews, companies expressed reservations about the time and resources required to answer the varying and highly detailed questions posed by different ESG specialists. Simplifying and aligning requests and referencing international sustainability standards and frameworks can address this concern.
- **Present a consistent and integrated message**. Companies want to hear consistent and integrated messages from ESG analysts (who tend to focus on sustainability data) and portfolio managers (who are more concerned with financial performance).
- **Build on and foster on-going relationships**. Studies have demonstrated that most fruitful meetings stem from productive relationships where 'institutional investors have a long history of researching the company and engaging with management'. [13]
- **Arrive prepared and provide feedback**. Investors should enter engagement with a clear agenda, having reviewed financial and sustainability performance data in depth beforehand. After the meeting, investors and corporate management should jointly approve a confidential summary of the discussion and commitments made.
- **Visit site operations**. Opportunities to visit company sites offer investors the chance to gain a deeper understanding of the company's operations, which can complement engagement activities. Visits also provide investors the opportunity to collect additional feedback from local experts, government representatives and other stakeholders.

"To improve the process of shareholder engagement, Novartis hopes that the investors will take a more materiality-based view of corporate responsibility and sustainability. Sometimes [socially responsible investment] analysts ask questions in relation to climate change and energy usage that would be more material for other industries."

Dorje Mundle, Head of Corporate Responsibility Management, Novartis

"Normally mainstream investors do not ask questions on sustainability topics. If they do, it is connected with business, efficiency, competitive advantage. In contrast, dedicated SRI analysts are only interested in sustainability data and do not ask any questions related to the company's financial performance. Ideally, both questions would come together as business questions. The trend to integrate these two type of questions is emerging."

Mattias Olsson, Vice President, Investor Relations, Atlas Copco

10 PRI staff interviewed 11 companies located in North America and Europe for the purpose of this report.
11 Aguilera et all., 2007. Putting the s back in corporate social responsibility: a multilevel theory of social change in organisations. Academy of Management Review, 32 (3), 836–863
12 The Value Driver Model: A tool for communicating the business value of sustainability. A PRI –UN Global Compact LEAD collaboration on creating long term value. Interim report, September 2013.
13 Tomorrow's Company, 2020 Stewardship: Improving the quality of investor stewardship'

"[The company] expressed a little resentment that they had received a template letter that did not seem tailored to their situation. It said that they were not doing anything on the issue, when in fact they were."

- Jennifer Coulson, Manager, Shareholder Engagement, British Columbia Investment Manager Corporation (previously with NEI Investments)

STAGE 2: DIALOGUE

After acquiring enough information and knowledge about the target companies and the issues of concern, the investor group can embark on dialogue with company management.

INITIATING CONTACT

Groups of investors often opt to make initial contact with companies by sending a joint letter on behalf of the group. In other instances, investors may produce a group position paper on an issue, using that as a basis to make contact with companies. Investor groups may also agree on common talking points, set out in an email or phone call to a company representative, as the basis for a meeting request.

Where a group opts to make contact via an initial letter, it is important to ensure that the letter is customised to address the individual company's specific situation and context, and to show awareness of the companies' existing policies and practices in relation to the issue.

To enhance the effectiveness of a letter to a company, investors should consider the following:

- **RECIPIENT**

  Consider the appropriate audience for the correspondence given the particular request and relevant practices within the market. Recipients may include individuals at different levels of the company depending on circumstances:

  - CEO or Board Chairperson and/or board members
  - Investor Relations department
  - Individuals in senior decision-making and strategic oversight capacity
  - Practitioners at the implementation/operational level
  - CSR/sustainability department

- **PURPOSE**
  - The group's purpose in contacting the company should be succinctly stated, whether it is to request information, a meeting, or an action.
  - Establish why the issues raised are of concern, and how they relate to shareholder value and company interests.

- **SUBSTANCE**
  - Recognise any actions the company has previously taken.
  - Demonstrate knowledge of the issue at hand.
  - Incorporate recommendations alongside requests for information.

- **TONE**
  - Ensure the tone and format of the correspondence are appropriate to the local market.
  - At this early stage investors are often recommending consideration of certain policies or practices, and the tone should be polite and non-confrontational.
  - It may also be useful to invite the company to an open dialogue and to offer its feedback.

- **SENDER**
  - Have representatives from each member of the investor group sign the letter. Include signatures of high-level representatives from the collaborating organisations, such as CEOs or department heads.
  - The investor group should indicate their assets under management and, ideally, their total holdings in the company.
  - Provide a contact point on behalf of the group (i.e., a representative from a lead investor or third party coordinator).

"They will only respond if they are convinced that it is something useful; if you are not one of their top 10 shareholders or a group, your letter will go straight to the shredder."

Kris Douma, Head of Responsible Investment & Governance, MN

FOLLOW-UP TECHNIQUES

Writing letters alone has limited impact. Concerted and punctual follow-up is almost always a prerequisite to securing change from companies. This usually takes the form of phone calls or requests for meetings with company representatives.

From the start of the dialogue, it is important for investors to:

- **SPEAK WITH ONE VOICE.**
  - Prepare prior to meetings, and share opinions on the issues to be raised in order to form an agreed position.
  - Appoint a person in advance who can steer the dialogue during meetings with management.

- **ENSURE THE RIGHT COMPANY REPRESENTATIVES COME TO THE MEETING.**
  - Once the group has identified the most appropriate people with whom to engage, emphasise the importance of those people attending.

- **SET AND MAINTAIN A CLEAR AND POLITE TONE.**
  - Begin with positive recognition of previous company action and show appreciation of their willingness to engage.
  - Maintain cultural sensitivity to the market in which the companies operate.

- **ALLOW FOR EXCHANGES OF VIEWS.**
  - Always provide companies with the opportunity to raise questions, ask for feedback and receive suggestions from investors.
  - Consider joining roundtable discussions or more formal investor-company working groups run by third party organisations (e.g. the UN Global Compact) to exchange opinions and find common solutions on specific ESG issues. Using the Chatham House rule [14] may facilitate a more open conversation.

In addition to the follow up activities above, engagement with policymakers in the investor or company's country can be a useful tactic for investors to consider alongside company dialogues. Government policies, legislation and formal endorsements can enable companies to adopt relevant changes.

14 When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

CASE STUDY #3
ENGAGING WITH COMPANIES ON ANTI-CORRUPTION

OVERVIEW

21 investors representing US$ 1.7 trillion in assets under management engaged from March 2010 until January 2013 with 20 companies in a variety of sectors. The engagement was based on the belief that a robust programme for managing anti-corruption risk positively impacts the long-term performance of a company, while the absence of such a programme, or even its disclosure, has the potential to create financial, operational and reputational risks.

THE APPROACH

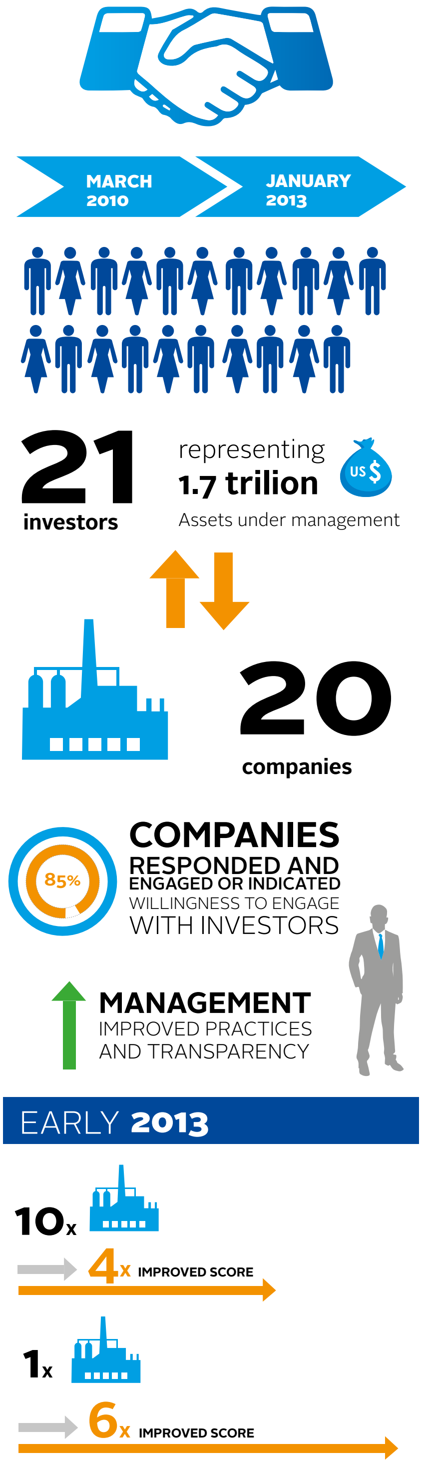
The investor group identified a select group of companies that, on the basis of publicly available information, appeared to have poor anti-corruption systems although they faced high corruption risk. Building on a baseline analysis of these companies' anti-corruption systems, and using global reference standards, a broader group of investors sent letters to all companies requesting further information on their anti-corruption strategies, policies and management systems. Based on initial written responses, an independent research provider completed an analysis of companies' performance. Using the same methodology and publicly available information, they then analysed companies that had not responded to the investors' requests. Six months later, the group sent letters to the non-responding companies to present the new research and request further information on anti-corruption management. The letter reiterated the content of the initial communication, but also highlighted notable zero scores and included a copy of the company's full scorecard.

THE RESULTS

In aggregate, 85% of companies responded and engaged or indicated willingness to engage with investors. Feedback from management was positive, with companies acknowledging investor concerns, and committing to improve practices and transparency. The majority of companies also welcomed follow-up dialogue with investors when this was proposed. Based on the initial benchmark, approximately one-third of companies that responded to the group's letter demonstrated significant improvements in their anti-corruption systems and transparency. Most importantly, following another letter from the group in April 2012 which included the results of the analysis, more than 60% of the non-responding companies reacted and provided either a formal, comprehensive response, or indicated willingness to meet with investors to discuss the issue further. The final benchmark analysis in early 2013 revealed that overall 16 of the companies had improved their performance against the indicators, with ten companies improving their score by four-fold, and the leading company improving its score by six-fold.

WHAT WORKED

Benchmark analysis provided a good framework for dialogue and an efficient tool for measuring corporate performance. Highlighting notable zero scores and including a copy of each company's full scorecard within the investors' letter proved successful in triggering a reaction from companies. Reference to a key guidance statement on managing anti-corruption risk developed by an investor organisation and UN-developed reporting guidance increased both the legitimacy and relevance of the investors' request, while providing a guide for companies' responses and follow-up discussions.



STAGE 3: ESCALATION

If dialogue does not lead to a satisfactory response, the collaborating investors can consider taking further measures. When escalating, collaborators are able to leverage their collective power. Initially this can be articulated subtly, but if unsuccessful, it can be done more overtly to push companies to consider the ESG issues under discussion. Beginning with smaller steps, there are various tactics that can be considered:

- **SENDING REMINDERS**

  One of the initial actions that can be taken is simply applying or reiterating deadlines in requests to companies. This can increase the perceived level of urgency and encourage a response from management.

- **BEING INCREASINGLY ASSERTIVE**

  The tone of the dialogue can also become more assertive to reflect the importance of the issue for investors. If initial contacts with the companies have been between ESG specialists or fund managers and investor relations, the group could raise the issue with the Chair or a board representatives, or seek a peer-to-peer meeting, for example between senior representatives of the investor group and the companies.

- **PROXY VOTING**

  Withholding support from the board of directors or management recommendations through proxy voting can help gain the attention of unresponsive companies and express investors' discontent. The intention to vote against or abstain on management recommendations can be conveyed to a company in advance of its AGM as a means to stimulate dialogue ahead of the meeting.

- **ASKING A QUESTION AT THE AGM**

  As with proxy voting, raising a question at companies' AGMs attracts attention to the issue. Investors may want to share the question with companies prior to the AGM, to enable a more informed response and better dialogue.

- **FILING A SHAREHOLDER RESOLUTION**

  Filing resolutions at AGMs attracts the attention of companies' management in a more formal and public way. The threat of filing a resolution may be more effective than doing so; many resolutions are withdrawn after management commits to further dialogue. Before moving ahead with this tactic, consider the following:

  - Local knowledge is important. Filing shareholder resolutions may be a common practice in some markets while in others it can be perceived as confrontational and aggressive.
  - It is important to understand local legislative rules that may hinder the exercise of shareholder powers and determine the power of proxy voting (for example, binding versus advisory votes).
  - Letting companies know of the intention to file a resolution can stimulate dialogue. Companies are often keen to ensure that there are not unresolved issues on the agenda at their AGM.
  - Investors can publicise shareholder resolutions or the intention to vote against management to build further support outside of the investor group.

“[Sometimes] it gets into what I will call a ‘cul–de-sac’ where nothing is happening, so sometimes you need to bring in the media to a particular point... you need a little bit of negative press to catch the attention of the directors, to get the engagement back on track again.”

- David Couldridge, Senior Investment Analyst, Element Investment Managers

- As with divestment, where one or a few members of a group file a resolution with a company, this may negatively impact the dialogue of group members choosing not to file. This should be carefully discussed within the group and communicated to the company.

- **ISSUING MEDIA STATEMENTS**

  Statements to the media about a company’s relatively poor ESG performance in comparison to its peers– and how it is of concern to investors – applies pressure to unresponsive companies and can be a trigger for them to take action.

  However, some companies may react poorly to negative media statements, impeding further dialogue.

  Concerns may also be raised through alerts or communication with other investors or investor groups in order to build a broader base of interest among shareholders. In either instance, it is important to ensure any media or public statements regarding the company are based on sound information. In some cases, it may make sense to first seek legal advice to ensure statements do not run the risk of being defamatory.

- **CALLING AN EXTRAORDINARY MEETING**

  In some countries, a major investor or group of investors that owns more than a certain percentage of the company’s shares (usually between 5% and 20%) can call an extraordinary meeting to discuss a major issue with management or attempt to vote out some or all the members of the board.

- **MAKING A FORMAL COMPLAINT TO A REGULATOR**

  If the investors believe the company has breached a law or regulation, they can raise a complaint with the local regulator. Because of the gravity of this approach, this tactic would typically end the engagement with the company, regardless of whether or not the regulator decides to pursue the issue.

- **DIVESTING**

  Communicating an intention to divest is the final step in the escalation process. Once divested, shareholders lose their rights and influence, though investors may retain some influence if they are willing to re-invest if and when the company has addressed the issue.

  Divestment has the potential to send a very strong signal to the market if the rationale for divestment is clearly communicated. Where individual members of a group opt to divest, this should be communicated carefully to the company to avoid damaging trust between the company and other investors in the group who may wish to continue dialogue.

CASE STUDY #4
ENGAGING WITH ELECTRONICS COMPANIES ON SOURCING CONFLICT MINERALS

OVERVIEW

From October 2009 through September 2012, a group of 16 PRI signatories representing US$ 635 billion in assets under management engaged with consumer electronics companies in the US, Europe and Japan. The goal was to engage in a dialogue to ensure the companies' supply chain policies and practices were transparent and sufficiently robust to address risks of reputational damage and consumer boycotts from involvement in the ongoing conflict in the Eastern Congo.

THE APPROACH

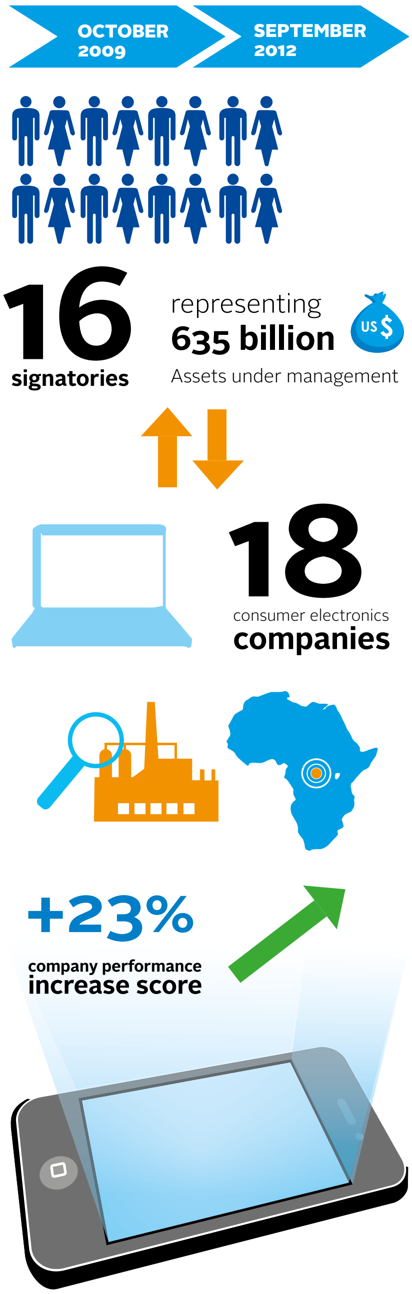
A group of investors led by Hermes Fund Managers sought to engage with 16 global consumer electronics companies to request: (a) public disclosure of policies regarding the sourcing of minerals from the Eastern Congo, and: (b) implementation of external verification systems and monitoring procedures on suppliers' stated practices. Eleven responses were received from companies and investors subsequently held a total of 18 meetings with the companies. In parallel to the collaborative engagement, several investors in the group actively participated in the development and adoption of the SEC's Conflict Minerals Provision rule (Section 1502) of the Dodd-Frank Act passed by the US Congress in 2012.

THE RESULTS

This engagement achieved positive results. Based on an evaluation of company performance and disclosure among the 16 companies carried out by the investor group following the PRI engagement evaluation framework[15], scores for overall company performance increased by an average of 23% from 2010 to 2011. Improvements were seen in the area of public disclosure, including of relevant policies and strategies, and in implementation measures - including greater measures to monitor the activities of suppliers, taking steps to meet targets, and participating in sectoral initiatives related to external verification.

WHAT WORKED

In August 2012, the SEC passed Section 1502 (the 'Conflict Minerals Provision') of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires companies listed on US exchanges to disclose their use of conflict minerals originating in the Congo to the SEC. Improved company performance over the course of the engagement and companies' willingness to engage in dialogue was driven in part by the anticipation of this new legislation. The expectation of potential regulatory requirements created a strong business case for companies to take the issue seriously and to engage with investors on this topic. This illustrates the importance of the regulatory environment in influencing company behaviour and the value in pursuing engagement with policymakers alongside company dialogues. Several investors in the group were active in lobbying for the issuing of the SEC rule.



15 See more information on following paragraph on "evaluating engagement outcomes"

STAGE 4: CONCLUSION

Investors might opt to conclude a collaborative engagement once the desired outcomes have been achieved, if persistent attempts at dialogue have proven unsuccessful or where changes in external circumstances allay investors' concerns (for example, following implementation of a new regulation).

As the engagement concludes, the investor group should identify whether the companies have fulfilled the steps laid out at the beginning of the engagement in terms of policies, implementation activities and transparency on the ESG issues of concern.

EVALUATING ENGAGEMENT OUTCOMES

As engagements can span several months or years, it is useful to measure progress and outcomes during and after an engagement. This should cover both the investor group's planned activities as well as the companies' response and, if all goes according to plan, its relevant improvements on the ESG issue.

For the investor group, the work plan and relevant timeline define the process milestones for the engagement. The progress of the initiative can be measured against those milestones to identify any delay.

Outcome measurements related to company performance should be based on clear, measurable objectives set at the outset, for example, adopting a policy, setting targets, improving performance or improving disclosure. External indices or disclosure initiatives such as CDP or CDP Water Disclosure can also provide evidence of whether the companies have improved their performance.

"One way we measure progress is in terms of the willingness of a company to talk to us. But when you've been in dialogue with a company for a while, you would need to set a more specific goal. Having the company issue a report disclosing the right kind of information would be a good goal to pursue. But it would be very much dependent on the particular company and what the issue is."

- John Wilson, Director of Corporate Governance, TIAA-CREF

In some cases, outcomes may not be as easily quantifiable. More process-orientated and qualitative evaluation questions during the engagement may include:

- Is the company open to dialogue?
- What is the company willing to discuss?
- What steps is the company willing to take?
- Has more public information been provided on the company's current practices?

Regularly reviewing companies' commitments and, ultimately, improvements in ESG performance can help assess progress over time. The PRI Clearinghouse uses a model whereby engagement outcomes are tracked over time across five key elements, as set out in the diagram below.

<table>
<tr><td>1.MANAGEMENT AWARENESS
(INDICATIVE: 3-9 MONTHS)</td><td rowspan="8">Companies publicly acknowledge the issue and disclose relevant policies, strategies and implementation activities</td><td rowspan="8">DISCLOSURE</td></tr>
<tr><td>Companies become aware of investor concerns through letters and meetings</td></tr>
<tr><td>2.ACKNOWLEDGEMENT
(INDICATIVE: 3-12 MONTHS)</td></tr>
<tr><td>Companies acknowledge the issues raised by investors and are open to discuss them with shareholders or potential shareholders</td></tr>
<tr><td>3.POLICY AND STRATEGY
(INDICATIVE: BETWEEN 12 AND 24 MONTHS)</td></tr>
<tr><td>Companies develop a strategy, policy and targets to address the issues (as recommended by the investors)</td></tr>
<tr><td>4.IMPLEMENTATION
(INDICATIVE: BETWEEN 12 AND 24 MONTHS)</td></tr>
<tr><td>Companies implement the policy/strategy and meet requests/targets set at the beginning of the collaborative initiative</td></tr>
</table>

While the first four stages are likely to be chronological, disclosure usually occurs over the lenght of an engagement. Investor groups can develop specific indicators appropriate to the engagement topic to assess progress on each of the elements.

PRI signatories can access further details on the evaluation framework used by the PRI Clearinghouse in Appendix B and C of the Charter.

ENGAGEMENT OUTCOMES AND SHARE PRICE PERFORMANCE

Some investors measure the outcomes of shareholder engagement by share price performance of target companies. This can be valid where the engagement results in major changes to governance or strategy. It can also be valid over the longer term. However, it is important to acknowledge that a range of factors affect short term share prices, and direct correlation with ESG performance is not often evident. Many ESG issues are drivers of long-term value, or relate to risks that need to be managed better. Therefore, it is often more appropriate to define the success of engagement in relation to the change in corporate ESG performance or disclosure that the investors set out to achieve, as described above.

CASE STUDY #5
IMPROVING SUSTAINABILITY DISCLOSURE IN BRAZIL

OVERVIEW

This engagement was part of the Emerging Markets Disclosure Project (EMDP), a group of global investors working toward increasing sustainability reporting among emerging market companies. In Brazil, the investors focused on engaging with local listed companies to encourage adoption of the Global Reporting Initiative (GRI) framework. In the three years of the project, 36 PRI signatories supported the EMDP Brazil Team, including 21 local and 15 foreign investors. The engagement efforts were also supported by the GRI Focal Point Brazil.

THE APPROACH

The team contacted the 102 largest Brazilian listed companies by letter in 2010 and 2011 to congratulate those who had used the GRI framework, and to encourage those who had not to produce a GRI-based report. In 2011, the group followed up through phone calls or meetings with 17 companies. To support the engagement meetings, the team used two different scorecards to evaluate the level of the companies' disclosure. In the first round with eight companies, the investors used a scorecard developed by the EMDP. In the second round with nine companies, the team chose to analyse the companies' level of disclosure using the GRI core indicators. The GRI representative joined some of the meetings with investors. To improve awareness, the EMDP Brazil team also held workshops in 2010 and 2011 to discuss with listed companies the importance of reporting ESG information and adopting the GRI framework.

THE RESULTS

During the 17 engagement meetings, two companies discussed with investors their just-published GRI report. Seven companies indicated that they would issue a GRI report in 2012 or 2013. Eight other companies are still discussing the prospects of sustainability reporting using GRI guidelines.

WHAT WORKED

The participation of a significant number of PRI signatories demonstrated the importance investors place on the subject and the Brazilian market. Collaboration between international and local investors with knowledge of, and language skills and contacts in the target market proved to be an effective model. The use of scorecards was very useful for the investors in meetings with companies, especially in offering a benchmark for good corporate disclosure.

SHARING OUTCOMES

Notwithstanding the sensitivities associated with 'going public', sharing the engagement's outcomes with the broader investor and corporate communities has several benefits. Highlighting the issue and positive outcomes can demonstrate to other companies in that sector that investors take these issues seriously, which itself encourages companies to improve their performance. Sharing what has worked in one area can also encourage and inspire investors to engage in other areas.

The PRI Clearinghouse typically summarises outcomes against the elements of its evaluation framework. While in some cases this information would be confidential, in other cases investor groups may feel it is appropriate to release the overall results of the engagement, findings and lessons learned to the media and the broader community.

FURTHER RESOURCES

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APPENDIX: LIST OF INTERVIEWEES

INVESTORS AND SERVICE PROVIDERS

- Ann Byrne, Chief Executive Officer, The Australian Council of Superannuation Investors
- Peter Cameron, Quant Analyst, Aviva Investors
- Laura Campos, Director of Shareholder Activities, Nathan Cummings Foundation
- Sagarika Chatterjee, Associate Director, Governance & Sustainable Investment, F&C Management Limited
- David Couldridge, Senior Investment Analyst, Element Investment Managers
- Jennifer Coulson, Manager Shareholder Engagement, British Columbia Investment Manager Corporation (previously with NEI Investments)
- Lauren Compere, Managing Director, Boston Common Asset Management
- Frank Curtiss, Head of Corporate Governance, Railways Pension Trustee Company Limited
- James Davidson (previously Associate, Hermes Fund Managers Limited)
- Natacha Dimitrijevic, Head of Engagement - Continental Europe, Hermes Fund Managers Limited
- David Diamond, Director – Global Co-Head of ESG, Allianz Global Investors
- Kris Douma, Head of Responsible Investment & Governance, MN
- Nick Edgerton, Senior Analyst, Colonial First State Asset Management
- Cinthia Gaban, SRI Corporate Research Analyst (previously with HSBC Global Asset Management)
- Malcolm Gray, Portfolio Manager, Investec
- Gunnela Hahn, Head of Responsible Investment, Church of Sweden
- Tytti Kaasinen, Senior Engagement Manager, GES
- Arisa Kishigami, Executive, ESG, FTSE Group
- Anne-Maree O'Connor, Manager, Responsible Investment, New Zealand Superannuation Fund
- Mike Lombardo, Senior Sustainability Analyst and Manager, Calvert Investments
- Marcus Norton, Head of Investor Initiatives and Water, Carbon Disclosure Project, Carbon Disclosure Project
- Tim Macready, Chief Investment Officer, Christian Super
- Julie McDowell, Head of SRI, Standard Life Investments
- Francois Meloche, Extra Financial Risk Manager, Comité syndical national de retraite Bâtirente
- Brian Rice, Portfolio Manager, California State Teachers' Retirement System CalSTRS
- Juan Salazar, Senior Analyst, F&C Management Limited
- Magdalena Kettis, Head of Social and Environmental Governance, Norwegian Government Pension Fund Norway (Norwegian Ministry of Finance and Folketrygdfondet)
- Saskia van den Dool-Gietman, Senior Advisor Responsible Investment, PGGM Investments
- Jonathan Wallace, Sustainability Analyst, Jupiter Asset Management
- John Wilson, Director of Corporate Governance, TIAA-CREF

COMPANIES

- Rosanna Bolzoni, SRI Manager, Investor Relations, ENI
- Raffaella Bordogna, Manager, Sustainability Reporting, ENI
- Pedro Canamero, Manager, Equity Investor Relations, ENEL
- Matteo Cavadini, Officer, Investor Relations, ENEL
- Mala Chakraborti, Sustainability Coordinator, Corporate Communications, Atlas Copco
- Bob Corcoran, Vice President of Corporate Citizenship, General Electric
- Rachel Cowburn-Walden, Manager, Global External Affairs Manager, Corporate Responsibility, Uniliver
- Domenica Di Donato, Manager, Sustainability Planning, Reporting and Professional Community, ENI
- Stephanie Fell, Officer, Investor Relations, Maersk
- Jenny Flezzani, Senior Manager, Corporate Responsibility, Pfizer
- Christian Frutiger, Deputy Head, Global Public Affairs, Nestlé S.A.
- Cassandra Garber, Senior Communications Manager, Corporate External Affairs, The Coca-Cola Company
- John Kornerup Bang, Lead Advisor, Environment & Sustainability Trends, Maersk
- Vanessa Jaeger-Canovas, Investor Relations Manager, CSR, Total
- Manoëlle Lepoutre, Executive Vice President, Sustainable Development and Environment, Total
- Mattias Olsson, Vice President, Investor Relations, Atlas Copco
- Ian Metcalfe, Investor Relations, Nestlé S.A.
- Chiara Mingoli, CSR Specialist, ENEL
- Dorje Mundle, Head of Corporate Responsiblity Management, Novartis
- Mark Nordstrom, Senior Counsel, Labour and Employment, General Electric
- Mark Preisinger, Director, Corporate Governance, The Coca-Cola Company
- Susanne Schaffert (previously Global Head, Investor Relations, Novartis)
- Trevor Schauenberg, Vice President, Corporate Investor Communications, General Electric
- Carrie Scott, Head of Corporate Responsibility Communications, Novartis
- Jeff Seabright, Vice President, Environment and Water Resources, The Coca-Cola Company
- Roger Seabrook, Vice President, Investor Relations, Unilever
- Annette Stube, Director, Group Sustainability, Maersk
- Claudia Vignati, Vice President, Investor Relations, ENI

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

UNEP Finance Initiative
Changing finance, financing change

UN Global Compact

Launched in 2000, the United Nations Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyse actions in support of broader UN goals. With 7,000 corporate signatories in 135 countries, it is the world's largest voluntary corporate sustainability initiative.

More information: www.unglobalcompact.org

United Nations
Global Compact