

# PRI update

Q2 2021



**United Nations**  
Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact



# Welcome from Fiona Reynolds, CEO, PRI



Dear signatories,

Our Q2 2021 update comes during continued global uncertainty, with a third wave of COVID-19 hitting many parts of the globe. Our thoughts are with the many signatories enduring ongoing lockdowns. This edition will wrap up activities in the final quarter of our current strategy and look ahead at the first few months of our new three-year strategy.

After two years of planning and consultation, the redesigned 2021 reporting cycle opened to investor signatories in Q1. We recognise the launch was not without some technical issues, which caused delays and frustration, and we appreciate your patience. Of course, change is not easy, but our aim is genuinely to streamline the reporting process, which is an important educational and accountability tool. I want to emphasise that this is a pilot year, and we encourage feedback on the indicators as well as the tool itself – we can only continue to improve the reporting process by understanding your experience, good and bad.

Climate has been a critical theme as we gear up for COP26. The conference is significant – representing the world's last chance to tackle climate change. We are focusing on government ambition and investor climate action.

We have launched a dedicated web page and an investor guide to climate collaboration with the London Stock Exchange Group.

In 2020, a record number of resolutions, addressing issues from climate change to diversity, passed at annual meetings globally. However, there is more to do on stewardship. We are working with signatories to develop more ambitious and effective stewardship practices; publishing a guide on principles-based voting on shareholder resolutions and an introductory stewardship guide.

Despite the pandemic, signatory growth remained strong, echoing the increasing role of responsible investment globally. In Q1 we welcomed 217 new signatories, including 16 asset owners.

I hope you're continuing to stay safe and well and I thank you for your continued support.

Best wishes,  
Fiona Reynolds

A handwritten signature in black ink, reading 'Fiona Reynolds'.

# Executive summary

## FLAGSHIP PROJECTS

Last quarter we launched the redesigned reporting cycle open to investor signatories and most recently our new three-year strategy. We launched a web page dedicated to COP26 as well as an investor guide to climate collaboration jointly with the LSEG. Stewardship was also a big focus for us, and we published a guide on principle-based voting on shareholder resolutions and an introductory guide to stewardship.

## NEW INITIATIVES, TOOLS

An international group of investors made an unprecedented commitment to net-zero emissions in September 2019 at the launch of the [UN-convened Net-Zero Asset Owner Alliance](#). Membership has now grown to 35, collectively representing more than US\$5trn of AUM, with its first Asian member Dai-ichi Life Insurance joining in the last quarter.

## SIGNATORY UPDATE

Over the last quarter, the PRI added 217 global organisations as new PRI signatories, including 16 asset owners. As of 31 March 2020, the PRI had 3,038 signatories, representing US\$103.4trn.

## ORGANISATION UPDATE

Following the postponement of PRI in Person, we shifted to a digital events series. Major online events included the [APAC Digital Symposium](#), [Digital Forum: EMEA](#) and the [Americas Digital Forum](#).

# 2021-24 Strategy map

Guided by the six Principles for Responsible Investment and the PRI Mission

## BUILDING A BRIDGE BETWEEN FINANCIAL RISK, OPPORTUNITIES AND REAL-WORLD OUTCOMES

### STRATEGIC DRIVERS

| BIG TENT  | ACCOUNTABILITY  | SCALABILITY   |
|---|---|---|
| We welcome a diverse and global signatory base. Diversity gives us strength. We aim to provide value for all. | Accountability is critical for signatory credibility and drives progress. | Scale leverages signatories' responsible investment effort and impact. We aim to support signatory learning and collaboration at scale. |

### ENABLERS

| Supporting signatories   | Supporting people  | Financial management   | Governance  |
|--|--|--|---|
| <ul style="list-style-type: none"><li>Increased global operating presence</li><li>Digital transformation</li><li>Deeper signatory engagement</li></ul> | <ul style="list-style-type: none"><li>Post-pandemic ways of working</li><li>Diversity and inclusion</li><li>Professional development</li><li>Recruitment and retention</li></ul> | <ul style="list-style-type: none"><li>Signatory certainty on fees</li><li>Strong reserves</li><li>Strong financial oversight</li></ul> | <ul style="list-style-type: none"><li>Elected representative board</li><li>Strategic direction and oversight</li><li>Accountability and transparency</li><li>UN links</li></ul> |

# 2021-24 Strategy map

## Key initiatives

|                            |    |   |
|----------------------------|----|---|
| RESPONSIBLE INVESTORS      | 1  | Provide evidence, tools, guidance and examples of best practice on assessing financial risks/opportunities and links to real-world outcomes   |
|                            | 2  | Develop investors' understanding of, and approach to, stewardship   |
|                            | 3  | Facilitate collaborative engagements on priority ESG issues   |
|                            | 4  | Provide dedicated support for asset owners  |
|                            | 5  | Increase support for responsible investment in emerging markets   |
|                            | 6  | Deliver the new reporting and assessment process, following the pilot   |
|                            | 7  | Develop a leadership programme that recognises excellence and supports learning   |
|                            | 8  | Increase minimum requirements   |
|                            | 9  | Build confidence in data reported to the PRI, by exploring stronger assurance measures  |
|                            | 10 | Enhance training for investment professionals through the PRI Academy   |
|                            | 11 | Better connect investors and academics  |
| SUSTAINABLE MARKETS        | 12 | Engage with policy makers on climate and other priority issues  |
|                            | 13 | Contribute to ESG incorporation being implemented in financial policy and regulation  |
|                            | 14 | Conduct legal and policy analysis to help develop the environment and frameworks needed to support investing for real-world outcomes  |
|                            | 15 | Work with other financial market participants to ensure their products and services are aligned with the sustainability needs of their investor clients   |
|                            | 16 | Collaborate with others to develop a single global sustainability reporting system for investors and corporations   |
|                            | 17 | Analyse investment market structure, to define sustainability-enhancing interventions for systemically important participants   |
| A PROSPEROUS WORLD FOR ALL | 18 | Provide tailored guidance on investing with real-world outcomes across multiple markets   |
|                            | 19 | Develop tools and guidance for assessing climate risk   |
|                            | 20 | Support signatory climate action in aligning portfolios towards net zero by 2050  |
|                            | 21 | Build investors' understanding of human rights and support them in embedding the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises  |
|                            | 22 | Support investor action on priority ESG issues, including through incorporation activities and shaping outcomes in line with planetary boundaries, inclusive societies and a corporate culture that delivers sustainable performance. |

Read more about the PRI's three-year strategy [here](#).

# Contents

- **Flagship projects update**

- New initiatives, tools and resources
- PRI and signatory update
- Appendix
  - Key resources
  - Blueprint and services

# Flagship projects

2021 - 2022

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



★ Featured in this edition



# Climate action

Moving towards net zero through investor action, corporate engagement and policy reforms

The PRI encourages all signatories to take action through the following initiatives:



[Climate Action 100+](#) wants to ensure that **167** of the world's largest corporate greenhouse gas emitters take necessary action on climate change. So far, more than **500 investors** representing **US\$50trn** have signed up to **engage companies on governance reforms, set 2050 net-zero targets** and **implement TCFD-aligned disclosure**. Find out more [here](#).



[COP26](#) will take place in November 2021 in Glasgow. The PRI is encouraging governments to incorporate climate into the COVID recovery. We are part of the [COP26 Race to Zero campaign](#) and encourage asset owners to join the [UN-convened Net Zero Asset Owner Alliance](#) and asset managers to join the [Net Zero Asset Managers](#) Initiative. We are hosting a webinar series on actions all investors can take towards COP26. Under the [Investor Agenda](#), we are collaborating with investor groups worldwide on climate change.



As the realities of climate change become apparent, governments will be forced to act more decisively than ever before. Signatories can **assess the implications** of a **forceful, delayed and disruptive** policy response by 2025 through [this pioneering project](#). Meanwhile, COVID-19 is a wake-up call for society, governments, and investors to take climate change action and prepare for the inevitable. **Get the latest insights from our [podcast](#), [blog](#) and [webinars](#).**



# ESG in Credit Risk and Ratings Initiative

Phase two: Reaching out to issuers, regulators, consultants and ESG vendors for a transparent and systematic consideration of ESG factors in credit risk analysis. Below is a list of the latest resources.



## [Bringing credit analysts and issuers together: workshop series](#)

Highlights from eight workshops organised so far with borrowers from different sectors and credit quality.



## [Deforestation as a credit risk – webinar](#)

Featuring a credit rating agency, an asset manager and a bank.



## [Governance assessment for equity vs. debt investors - webinar](#)

Providing different perspectives on governance metrics and evaluations.

# 171

**Institutional Investors**  
(>US\$36trn AUM)

# 26

**Credit Rating Agencies (CRAs)**



You can still join the initiative by [signing the statement](#).  
Visit  
[www.unpri.org/credit-ratings](http://www.unpri.org/credit-ratings).

# Taxonomy development around the world

Creating a common language between investors, issuers, project sponsors and policy makers

A sustainable taxonomy is a classification tool to help investors assess whether investments meet robust sustainability standards and are aligned with high-level policy commitments. A Taxonomy can:



Provide clarity on what is sustainable.



Help to measure the degree of sustainability of an investment and of companies' activities.



Encourage collaboration between policy makers, investors and companies.



Help investors and companies to plan and report on the transition.



Help policy makers make informed decisions, developing more effective policies.



Increase investments that are consistent with sustainability goals.

## PRI's recommendations for Taxonomy design

- The Taxonomy must use science-based, technology neutral, technical screening criteria, with no exceptions.
- Transition to environmental sustainability should be informed by the taxonomy, but guided by other policy instruments, including real-economy policy reforms, carbon pricing etc.

Key features of a sustainable taxonomy and policy design considerations are presented in the [Policy Toolkit](#) published by the PRI and the World Bank.

## The EU Platform on Sustainable Finance

The [platform](#) has an important role to develop the EU Taxonomy, for its six environmental objectives, and to consider new dimensions – such as social objectives and criteria. This work is chaired by PRI's Chief Responsible Investment Officer, Nathan Fabian.

## The International Platform on Sustainable Finance

This [forum](#) for public authorities aims to scale up the mobilisation of private capital towards environmentally sustainable investments and promote integrated markets for environmentally sustainable finance. A taskforce co-chaired by China and the EU is aiming to harmonise the sustainable finance taxonomies used by members.

## What should PRI signatories do?

- Read about implementation of the EU Taxonomy in the [PRI's Taxonomy Practitioners' Group report](#)
- Learn about international work on Taxonomies by the [International Platform on Sustainable Finance](#)
- Contact [policy@unpri.org](mailto:policy@unpri.org) for more information

# Selecting, appointing and monitoring investment managers

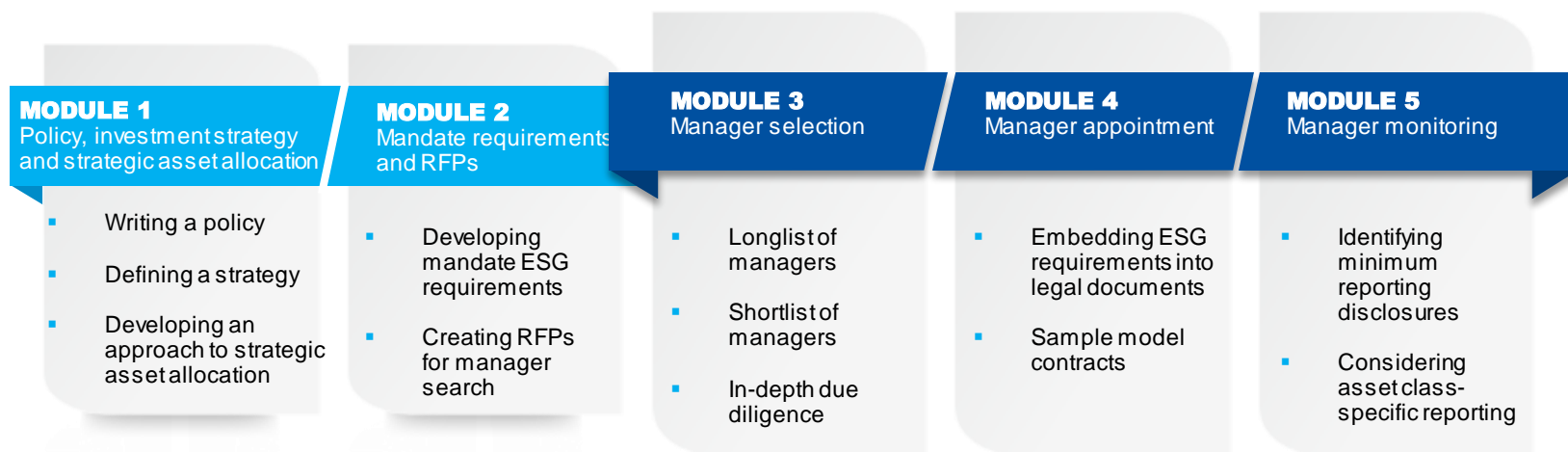
Three connected technical guides for asset owners on how to include ESG considerations in their selection, appointment and monitoring of investment managers

## Key features include:

- Online practical tools, scorecards and frameworks
- ESG clauses to be included in legal documentation
- A set of asset manager monitoring questions
- Database of signatories' responsible investment policies

## What should PRI signatories do?

- Read the [SAM guides](#)
- Contact [assetowners@unpri.org](mailto:assetowners@unpri.org) for more information



Over the last six months we have hosted [three signatory webinars](#) and a [topical podcast](#) covering different asset owner approaches. Work is underway on reviewing ESG requirements in mandate design.

# Human rights

Defining investors' three-part responsibility to respect human rights

The PRI's human rights position paper, released in **October 2020**, is informed by the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.



It clarifies that institutional investors have a **three-part** responsibility to respect human rights.



This year, we will promote an understanding of human rights in investment processes. We are **seeking case studies** that illustrate leading practice in the implementation of human rights across asset classes. To submit your case study and find out more about our work, visit the PRI website.



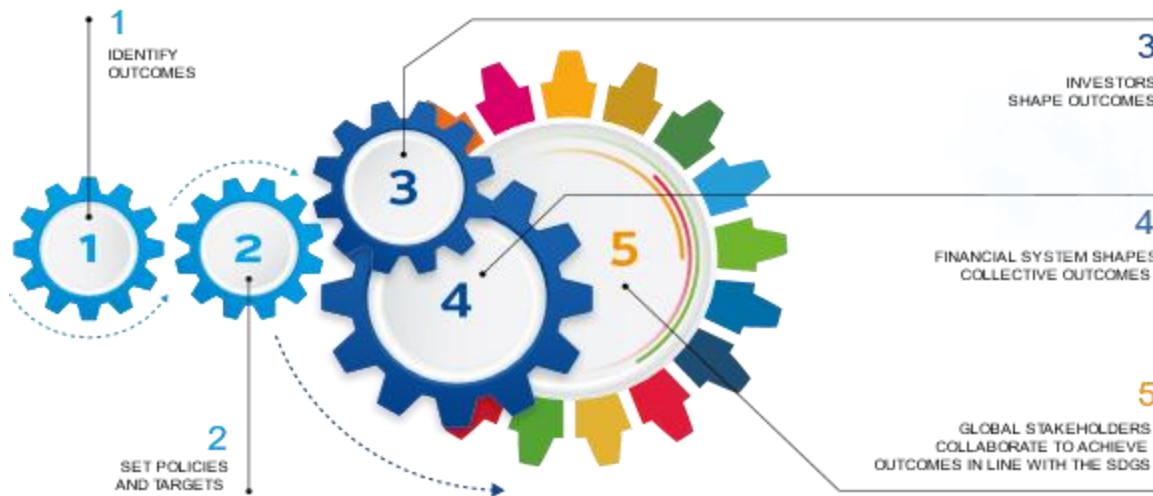
More information on the PRI's human rights work, including modern slavery, can be found [here](#).

# Sustainable Development Goals

Practical guidance across PRI's five-part framework on Investing with SDG outcomes

[SDG outcomes case studies](#) – the first eight in a series on how institutional investors are understanding and shaping the real-world outcomes of their investments.

SDGs and infrastructure – [How infrastructure investors can contribute to SDG outcomes](#)



Read more about the PRI's five-part framework [here](#).

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# UN-convened Net-Zero Asset Owner Alliance

Making a bold commitment to transitioning portfolios to net-zero GHG emissions by 2050

An international group of 35 asset owners, representing US\$5.6trn in AUM, committed to **transitioning their portfolios to net-zero GHG emissions by 2050**, consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures. Members set and publicly report on intermediate targets in line with the Paris Agreement, convened by UNEP FI and the PRI.



The PRI encourages **asset owner signatories** to commit to net zero and [join the alliance](#).  
Find out more about the **Net Zero Asset Managers** [here](#).



# UN-convened Net-Zero Asset Owner Alliance

Making a bold commitment to transitioning portfolios to net-zero GHG emissions by 2050

## Key outputs in 2020:

- [Target Setting Protocol](#)
  - Four-layer target setting to decarbonise investment portfolios by 2050
  - Portfolio emission targets: 16% - 29% CO2e reduction by 2025
  - Sector targets: intensity-based reductions on Alliance priority sectors
  - Engagement targets: corporate, sector and asset manager engagement and policy advocacy
  - Financing transition targets: report on progress on climate solution investments, enlarging the low-carbon investment universe
- [Coal Position](#)
  - Phase-outs in most thermal coal assets by 2030 for industrialised countries and full phase-out globally by 2040
- [Sectoral Pathways to Net Zero Emissions](#)
  - Based on the One Earth Climate Model - by the Institute for Sustainable Futures, University of Technology, Sydney - prepared for the UN-Convened Net Zero Asset Owner Alliance, which was published in December 2020

## Open calls for action/input:

- [Call for collaboration on Blended Finance vehicles](#)
  - Alliance members are looking for blended finance investment vehicles and instruments that would facilitate investment in climate mitigation projects and business models at scale
- [Tender For Digital Map For Climate Solutions](#)
  - The map should serve as a guide and catalyst for investors seeking information on low-carbon solutions from an investment perspective

**The PRI encourages asset owner signatories to commit to net zero and join the alliance. Find out more [here](#).**

# Policy

Engagement in areas including duties, stewardship, taxonomy and disclosure

## Global

Our recently updated [regulation database](#) documents existing and in-progress sustainable finance policies from around the world. It covers over 650 policy tools and guidance which support, encourage or require investors to consider long-term value drivers, including ESG factors.

## European Union

Our [response](#) to the [proposed](#) technical screening criteria for climate mitigation and adaptation under the EU Taxonomy state that they must remain based on best available scientific evidence. Our [report](#), based on [37 case studies](#) from the Taxonomy Practitioners Group, provides recommendations for its practical implementation.

## UK

We have responded to consultations on the future of [sustainability reporting](#), and mandatory TCFD requirements for [pension funds](#), while engaging on policies to decarbonise the UK economy.

## China

The climate policy [briefing](#) sets out priorities for China to deliver carbon neutrality in an economically, politically and technologically achievable and ultimately beneficial way. It is based on research from PRI's IPR project.

## Japan

Our new [briefing](#) sets out key policy priorities to set Japan on a pathway to achieve a net zero emissions economy; and to do so in a way that is economically, politically and technologically achievable and ultimately beneficial. It is based on research from PRI's Inevitable Policy Response project.

## US

We [republished](#) our 2021 priorities for the US in the new year and submitted a [Statement for the Record](#) for the House Financial Services Subcommittee hearing on climate change and social responsibility. We will comment on the SEC's [request for information](#) on climate change disclosures next quarter.

Contact [policy@unpri.org](mailto:policy@unpri.org) for more information.

# The 2021 PRI reporting cycle is open

With a completely redesigned Reporting Framework for investor signatories

**[Access the new reporting tool](#)**  
**and submit your report by the deadline:**

**29 April 2021**

**Investors**

**13 May 2021**

**Service providers**

View the [guidance documents](#) and [reporting webinars recordings](#).

# PRI Awards and Leaders' Group

Showcasing leadership and best practices from across the PRI signatory base



## Leaders' Group

- The PRI Leaders' Group showcases signatories at the cutting edge of responsible investment, and highlights trends in what these leading signatories are doing.
- We are using signatories' reporting responses and assessment data to identify those that are doing great work in responsible investment, both across their organisation, and with a particular focus on a given theme each year.
- The Leaders' Group theme in 2021 is stewardship. Further details can be found [here](#).



## PRI Awards

- We look forward to welcoming PRI signatories' entries to the 2021 PRI Awards.
- The categories are: ESG Incorporation, ESG Research, Stewardship and Real-world Impact. We will also present an award to the best project submitted by a signatory headquartered in an emerging market.
- Further details on the entry period, categories and criteria, as well as last year's winning and shortlisted projects, can be found [here](#).

More information can be found [here](#).

# PRI Academic research

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



## Outreach

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



## Academic tools

- [The Academic ESG Review](#): academic research on ESG topics, for both academics and investors
- [The Academic ESG Data Review](#): overview of ESG related data for both academics and investors
- [Top academic resources on responsible investment](#)



## Data & research

- Internal research conducted by the PRI team
- Access reported data via the [PRI Reporting Framework](#)
- [PRI Global Responsible Investment Regulation Database Access](#)
- [PHD Graduate Programme](#)

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

# The PRI's digital events programme



## Digital Forums: Spotlight Series

As well as our usual programme of webinars, we are pleased to announce that this year's digital events calendar will include a series of monthly spotlights on key responsible investment themes. We will kick off in May with Climate & Nature Action, and in June we will focus on sustainability outcomes and SDGs. For more information about the Spotlight Series or any of our other events, visit [unpri.org/events](https://unpri.org/events) or contact [events@unpri.org](mailto:events@unpri.org).



## PRI Digital Conference, 18-21 October 2021

This October, the PRI will bring together investors, policymakers and other sustainable finance stakeholders from around the world for an online exchange of views and ideas. The PRI Digital Conference will deliver an incisive programme spanning time zones, geographies, and of course the most critical themes for responsible investors in 2021. The event, which will be free to attend, will open for registrations in late April. If you would like to be notified when registrations open, please email [events@unpri.org](mailto:events@unpri.org).














All upcoming events are listed [here](#) and on-demand webinars recordings can be found [here](#).

# PRI Board

PRI board nominations opening in June

**2021 PRI Board elections:** Elections are for four asset owner positions and one investment manager position. The call for nominations will begin in June 2021. To register your interest in advance, email: [governance@unpri.org](mailto:governance@unpri.org).

The board is composed of **one independent chair**, **10 directors** and **two permanent UN advisors**:

| Chair  |   | Directors elected by asset owners  |   |  |  |  |   |  |   |   |   |   |  |   |  |
|--|---|--|---|--|--|--|---|--|---|---|---|---|--|---|--|
|   | <b>Martin Skancke</b><br>Independent<br>Appointed until 2023    |   | <b>Angela Emslie</b><br>HESTA (Australia)<br>Elected until 2021 |   | <b>Eva Halvarsson</b><br>AP2 (Sweden)<br>Elected until 2022                    |     | <b>Hiromichi Mizuno</b><br>Tokyo University (Japan)<br>Elected until 2022 |   | <b>Renosi Mokate</b><br>GEPF (South Africa)<br>Elected until 2023 |  | <b>Laetitia Tankwe</b><br>Ircantec (France)<br>Elected until 2021 |  | <b>Sharon Hendricks</b><br>CalSTRS (USA)<br>Elected until 2021 |  | <b>Xander den Uyl</b><br>ABP (Netherlands)<br>Elected until 2021 |
| Directors elected by non-asset owners  |   | Permanent UN advisors  |   |  |  |  |   |  |   |   |   |   |  |   |  |
|  | <b>Wendy Cromwell</b><br>Wellington (USA)<br>Elected until 2021 |  | <b>Tycho Sneyers</b><br>LGT (Switzerland)<br>Elected until 2023 |  | <b>Michael Jantzi</b><br>Sustainalytics<br>(Netherlands)<br>Elected until 2022 |  | <b>Sanda Ojiambo</b><br>UN Global Compact<br>(New York)                   |  | <b>Eric Usher</b><br>UNEP FI<br>(Switzerland)                     |   |   |   |  |   |  |

Read more about board elections and other aspects of PRI governance at [unpri.org/pri/governance](https://unpri.org/pri/governance)



## New resources

AN INTRODUCTION TO  
**RESPONSIBLE  
INVESTMENT**

**SELECTING,  
APPOINTING,  
MONITORING  
MANAGERS**

AN INTRODUCTION TO  
**RESPONSIBLE  
INVESTMENT**

**STEWARDSHIP**



**MAKING VOTING  
COUNT**



**THE EVOLUTION  
OF RESPONSIBLE  
INVESTMENT**

# In case you missed it

|                                   | Q2 2020   | Q3 2020   | Q4 2020  | Q1 2021   |
|-----------------------------------|---|---|--|---|
| <b>PRI</b>                        | Advancing investor responses to COVID-19  | Launch of SDG outcomes five-part framework  | Signatory survey results<br>Annual board elections   | Reporting cycle open<br>6 January – 31 March  |
| <b>Investment Practices</b>       | <ul style="list-style-type: none"> <li>▪ <a href="#">Credit Ratings: Paris workshop</a></li> <li>▪ <a href="#">SDGs and national infrastructure plans</a></li> <li>▪ <a href="#">RI Intro: Real estate</a></li> </ul> | <ul style="list-style-type: none"> <li>▪ <a href="#">RI intro: climate change for asset owners</a></li> <li>▪ <a href="#">Credit Ratings: The rise of the 's' factor</a></li> <li>▪ <a href="#">SAA case studies</a></li> </ul> | <ul style="list-style-type: none"> <li>▪ <a href="#">US directors' duties guide</a></li> <li>▪ <a href="#">Sovereign debt</a></li> <li>▪ <a href="#">TCFD in real assets</a></li> <li>▪ <a href="#">Selection, Appointment, Monitoring guides</a></li> </ul>                         | <a href="#">An intro to responsible investment: SAM</a>   |
| <b>Policy</b>                     | <ul style="list-style-type: none"> <li>▪ <a href="#">Investor priorities for the EU Green Deal</a></li> <li>▪ Consultation <a href="#">response</a> to China's National Energy Law</li> </ul>                         | <ul style="list-style-type: none"> <li>▪ <a href="#">Covid-19 recovery and reform</a></li> <li>▪ <a href="#">US Department of Labor briefing</a></li> <li>▪ <a href="#">EU taxonomy case studies</a></li> </ul>                 | <ul style="list-style-type: none"> <li>▪ <a href="#">California Roadmap</a></li> <li>▪ <a href="#">IPR: importance of land use</a></li> <li>▪ <a href="#">Policy toolkit</a></li> </ul>  | <ul style="list-style-type: none"> <li>▪ <a href="#">Sustainable finance policy: the role of G7 and G20</a></li> <li>▪ <a href="#">US Capital Markets Whitepaper</a></li> </ul>                   |
| <b>Stewardship</b>                | <ul style="list-style-type: none"> <li>▪ <a href="#">Cybersecurity</a></li> <li>▪ <a href="#">Labour practices in agricultural supply chains</a></li> </ul>   | <ul style="list-style-type: none"> <li>▪ <a href="#">Water risks in agricultural supply chains</a></li> <li>▪ <a href="#">Methane</a></li> <li>▪ <a href="#">Acting in concert Germany</a></li> </ul>                           | <ul style="list-style-type: none"> <li>▪ <a href="#">Oil &amp; gas engagement</a></li> <li>▪ <a href="#">Whistleblowing</a></li> <li>▪ <a href="#">Human rights</a></li> <li>▪ <a href="#">CEO op-ed in Raconteur and The Sunday Times' Sustainable Investment report</a></li> </ul> | <ul style="list-style-type: none"> <li>▪ <a href="#">Making Voting count</a></li> <li>▪ <a href="#">An intro guide to stewardship</a></li> <li>▪ <a href="#">CA100+ aviation guide</a></li> </ul> |
| <b>Reporting &amp; Assessment</b> | <a href="#">Reporting framework phase 2 consultation results</a>  | <a href="#">Climate snapshot</a>  | <ul style="list-style-type: none"> <li>▪ <a href="#">Listed equities snapshot</a></li> <li>▪ <a href="#">Reporting Framework guidance documents</a></li> </ul>   | <a href="#">The evolution of responsible investment</a>   |
| <b>Signatory Relations</b>        | <ul style="list-style-type: none"> <li>▪ 2020 global signatory AuM US\$103 trillion</li> <li>▪ AO signatories grow by 21% over last 12 months</li> </ul>  | BBVA Seguros and the University of Waterloo become signatories  | European Investment Fund becomes a signatory   | AO signatories grow by 19.6% over last 12 months  |

# Looking ahead

| Launches planned Q2 2021 / Q3 2021 |   |
|------------------------------------|---|
| <b>Investment practices</b>        | <ul style="list-style-type: none"> <li>Understanding and aligning with beneficiaries' sustainability preferences</li> <li>TCFD for real assets</li> <li>ESG incorporation in securitised products: The challenges ahead</li> <li>Japanese pension systems</li> </ul>  |
| <b>Stewardship</b>                 | <ul style="list-style-type: none"> <li>Soy/cattle and palm oil engagement outcomes</li> <li>Cobalt engagement outcomes</li> <li>Biodiversity: map of high-risk regions and sectors</li> <li>Plastics engagement guides</li> <li>AO 2.0 supportable shareholder resolutions</li> <li>ESG and executive pay</li> </ul>  |
| <b>Policy</b>                      | <ul style="list-style-type: none"> <li>Legal Framework for Impact</li> </ul>  |
| <b>Reporting &amp; Assessment</b>  | <ul style="list-style-type: none"> <li>Reporting Framework review workshops and signatory engagements</li> </ul>  |
| <b>Webinars</b>                    | <ul style="list-style-type: none"> <li><a href="#">EU SFDR Regulation: Implications, Implementation and Next Steps</a></li> <li><a href="#">Biodiversity and Infrastructure Investing: Managing Risk and Enhancing Value</a></li> <li><a href="#">Conversation Between Investors and Policymakers: How to Scale up Green Investment as Part of the Economic Recovery</a></li> </ul> |

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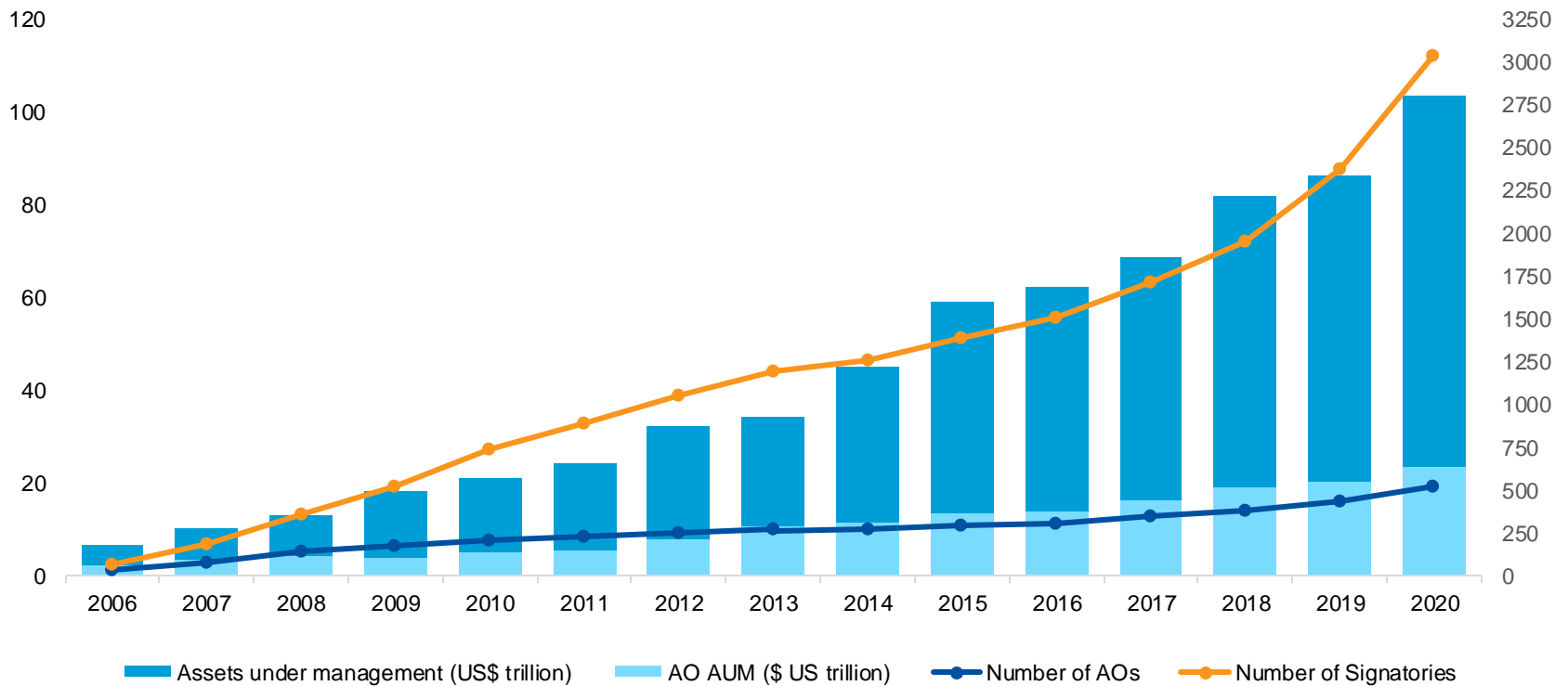
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# PRI signatory growth in 2019 - 2020

AUM, number of signatories and number of asset owner signatories all increase

Assets under management (US\$ trillion)

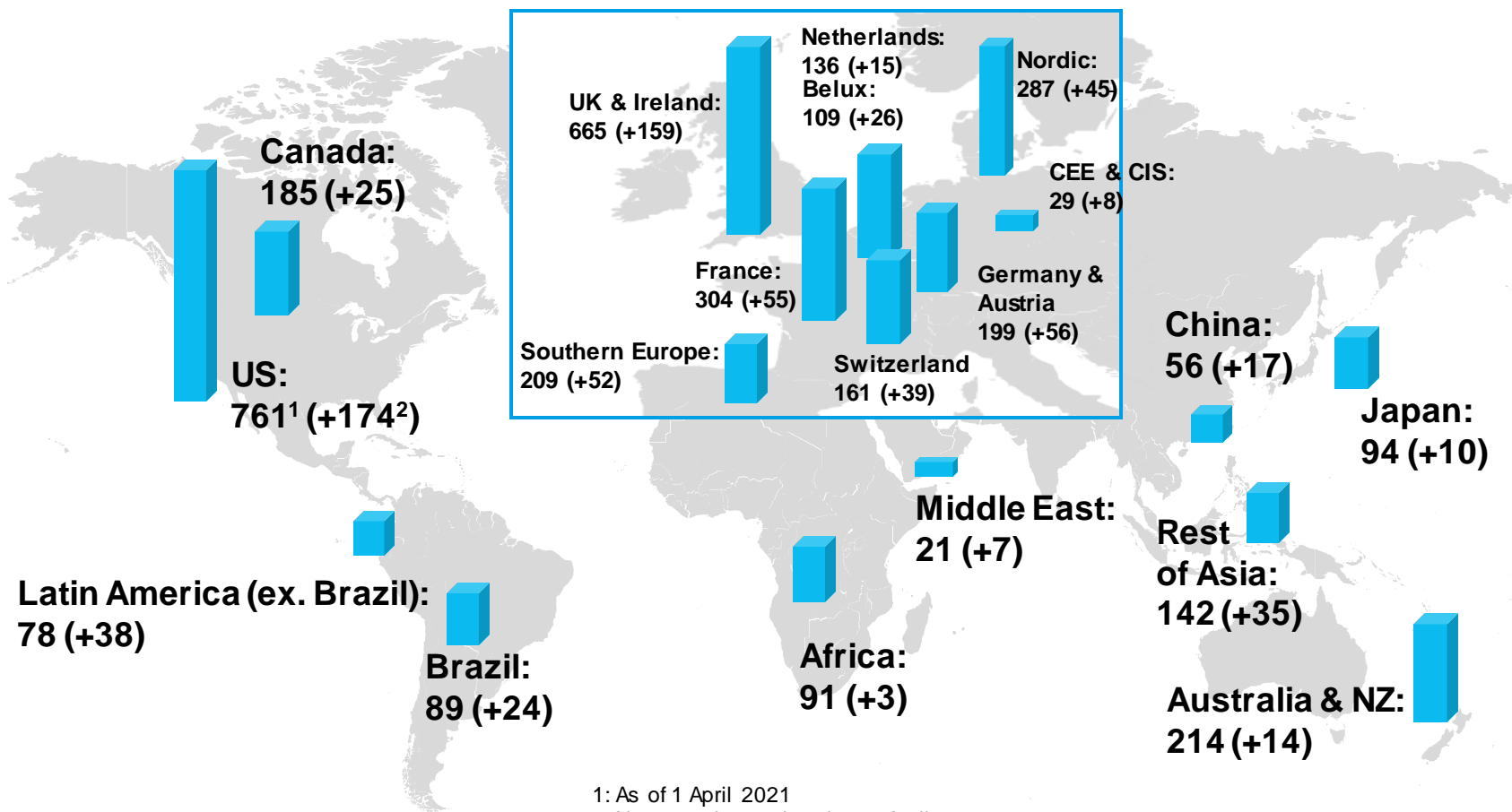
Nº Signatories



\*Total AUM includes reported AUM and AUM of new signatories that signed up by end of March of that year. Annually updated data and methodology can be found [here](#).

# More than 3,800 investors worldwide

Have signed the Principles for Responsible Investment



1: As of 1 April 2021

2: Net new signatories since 1 April 2020

# Signatory growth

From 1 April 2020 until 1 April 2021

## 3,830

Signatories



217 new in last quarter

12-month growth of **26.1%** on a base of 3,038

## 610

Asset owners



16 new in last quarter

12-month growth of **19.6%** on a base of 510

## 103.4

US\$ trillion\*



**12.3% growth** on a base of US\$86 trillion

\*As of 30 March 2020, updated annually

## New Asset Owner Signatories

**citibanamex**  
Afore

  | **MN**  
For the health of all.

**vida** Cámara<sup>®</sup>  
seguros

 **INOVAR**  
PREVIDÊNCIA

**SIGNAL IDUNA** 

 **NEW IRELAND**  
ASSURANCE

 **sham**  
PARTAGEONS PLUS QUE L'ASSURANCE

 **MUTUA DE PROPIETARIOS**  
tus inmuebles en forma



# Contents

- Flagship projects update
- New initiatives, tools and resources
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- **Appendix**
  - **Key resources**
    - Blueprint and services

# An introduction to responsible investment

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

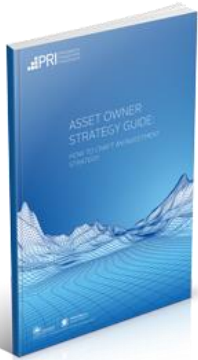
- [What is responsible investment?](#)
- [Policy, structure and process](#)
- [Listed equity](#)
- [Fixed income](#)
- [Private equity](#)
- [Real estate](#)
- [Screening](#)
- [Climate change for asset owners](#)
- [Selecting, appointing and monitoring managers](#)
- [Stewardship](#)

AN INTRODUCTION TO  
**RESPONSIBLE  
INVESTMENT**

EXPLORE THE SERIES



# Asset owner resources



## **HOW TO CRAFT AN INVESTMENT STRATEGY**

Supports asset owners, including their board of trustees and executives, in developing and formulating their investment strategy for a rapidly changing investment landscape.



## **INVESTMENT POLICY: PROCESS & PRACTICE**

Provides a concise and implementable framework to support asset owners in revising their investment policy in order to incorporate long-term factors in their investment chains.



## **MANAGER SELECTION, APPOINTMENT, AND MONITORING TECHNICAL GUIDES**

Three connected technical guides which aim to support asset owners in making informed decisions about how to include ESG considerations in their selection, appointment and monitoring of investment managers.



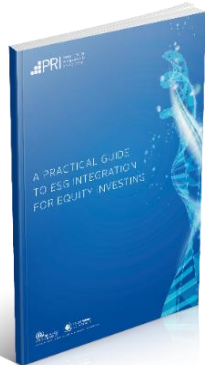
## **INVESTMENT CONSULTANTS AND ESG**

Guides asset owners on how to ensure that the services they get from their consultants, whether covering specific assignments or the full-service suite, are aligned with their own responsible investment objectives, strategies and policies.

See all asset owner resources at: [unpri.org/asset-owners](https://unpri.org/asset-owners)

# Investment practice resources

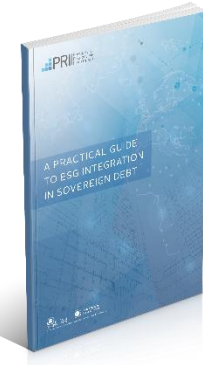
## Listed equity



### **A PRACTICAL GUIDE TO ESG INTEGRATION FOR EQUITY INVESTING**

The guide contains information and case studies on integration techniques that apply to investment strategies including fundamental, quantitative, smart beta and passive investment.

## Fixed income



### **A PRACTICAL GUIDE TO ESG INTEGRATION IN SOVEREIGN DEBT**

Despite its size and importance, the sovereign debt market has been the subject of less systematic ESG consideration than other investment asset classes. However, appetite for ESG integration is growing among investors, with a rising number appreciating that ESG factors can and do affect sovereign debt valuations.

## Private markets



### **ESG MONITORING, REPORTING AND DIALOGUE IN PRIVATE EQUITY**

This guide supports an exchange of information, underpinned by dialogue, that will keep LPs informed about the ESG characteristics of their private equity investments, and the responsible investment practices of their managers.

## Hedge funds



### **ESG INCORPORATION IN HEDGE FUNDS**

There are important differences from long-only funds in how hedge funds can incorporate, develop and implement a responsible investment policy. This guide provides a suggested framework for fund managers and asset owners.

See all investment practice resources at: [unpri.org/investor-tools](https://unpri.org/investor-tools)

# Responsible investment DDQs by asset class



- **PRIVATE EQUITY:** A tool to establish dialogue between LPs and GPs. Limited partners (LPs) should first establish their own expectations and processes around responsible investment before they can engage with their general partners (GPs).
- **HEDGE FUNDS:** Helps identify those hedge funds that have the personnel, knowledge, and structure to incorporate environmental, social and governance (ESG) factors in the investment decision-making process.
- **PRIVATE DEBT:** Designed for use by indirect investors (e.g. limited partners or asset owners) when assessing potential private debt managers.
- **INFRASTRUCTURE:** This publication aims to ensure a globally consistent approach to infrastructure investor due diligence and ESG disclosure by infrastructure managers.
- **REAL ESTATE:** Developed to help investors appraising potential real estate investment managers to evaluate how a manager handles ESG factors.
- **FORESTRY:** Developed to help investors appraising potential forestry investment managers to evaluate how a manager handles ESG factors.
- **FARMLAND:** Developed to help investors appraising potential farmland investment managers to evaluate how a manager handles ESG factors.

Discover all our DDQs at: [unpri.org/ddqs](https://unpri.org/ddqs)

# Stewardship resources



## **ACTIVE OWNERSHIP 2.0: THE EVOLUTION STEWARDSHIP URGENTLY NEEDS**

This paper proposes a higher standard for active ownership, in which investors work to deliver real-world outcomes on critical systemic issues, using strengthened collaboration.



### **INTRODUCTORY GUIDE TO COLLABORATIVE ENGAGEMENT**

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



### **A PRACTICAL GUIDE TO ACTIVE OWNERSHIP IN LISTED EQUITY**

Guides investors on their responsibilities to conduct, request and monitor effective engagement and proxy voting activities.



### **ESG ENGAGEMENT FOR FIXED INCOME INVESTORS**

Guidance on how fixed income investors might structure their engagement strategies as an integral part of their approach to RI.

**More stewardship resources can be found [here](#).**

# Issue-specific guides



## ENVIRONMENTAL

[Investor action on biodiversity: discussion paper](#)

[Growing water risk resilience in agricultural supply chains](#)

[Engaging on methane: collaborative engagement results](#)

[Plastics: challenges and potential solutions](#)

[Implementing TCFD recommendations for methane emissions](#)

[Engaging oil and gas companies on climate: results](#)



## SOCIAL

[From farm to table: ensuring fair labour practices in agricultural supply chains](#)

[Human rights and the extractives industry](#)

[Drilling down into the cobalt supply chain](#)

[Moving the needle on responsible labour practices in the apparel sector](#)



## GOVERNANCE

[Collaborative engagement on tax transparency: Outcomes report](#)

[Collaborative engagement on cyber security: Outcomes report](#)

[Investor-company dialogue on cyber security](#)

[Engaging on director nominations](#)

[Whistleblowing: Why and how to engage with your investee companies](#)

See all our investor guides on ESG issues [here](#).



# Climate tools

The climate emergency – how can investors take action?

|                             |   |
|-----------------------------|---|
| <b>Investment</b>           | <ul style="list-style-type: none"> <li>▪ <a href="#">How to invest in the low-carbon economy</a></li> <li>▪ <a href="#">Climate change and the just transition</a></li> <li>▪ TCFD: <a href="#">Asset owner guide</a>, <a href="#">PE GP guide</a></li> <li>▪ <a href="#">RI intro: climate change for asset owners</a></li> <li>▪ <a href="#">Pathways to net zero: scenario architecture for strategic resilience testing and planning</a></li> </ul> |
| <b>Corporate engagement</b> | <ul style="list-style-type: none"> <li>▪ Collaborative investor engagement: <a href="#">Climate Action 100+</a></li> <li>▪ Investor guides: <a href="#">Corporate climate lobbying</a></li> </ul>   |
| <b>Investor disclosure</b>  | <ul style="list-style-type: none"> <li>▪ <a href="#">Climate scenario analysis tools directory</a></li> <li>▪ <a href="#">PRI climate snapshot 2020</a></li> </ul>  |
| <b>Policy advocacy</b>      | <ul style="list-style-type: none"> <li>▪ <a href="#">The Inevitable Policy Response</a> to climate change</li> <li>▪ <a href="#">Global Investor Statement on Climate Change</a></li> </ul>   |



These four areas are defined by the [Investor Agenda](#), a global platform set up by investors to tackle climate change. PRI is a co-founder.

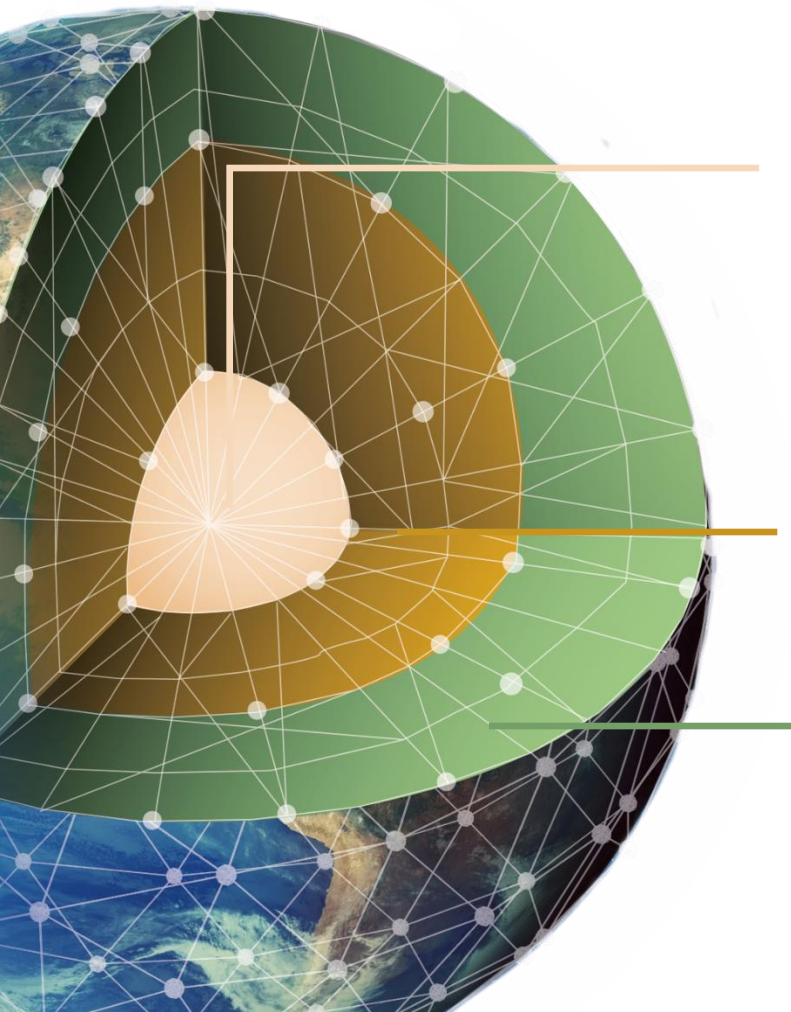
For more information, click [here](#) or contact [climate@unpri.org](mailto:climate@unpri.org).



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# The Blueprint vision



## Responsible investors

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

## Sustainable markets

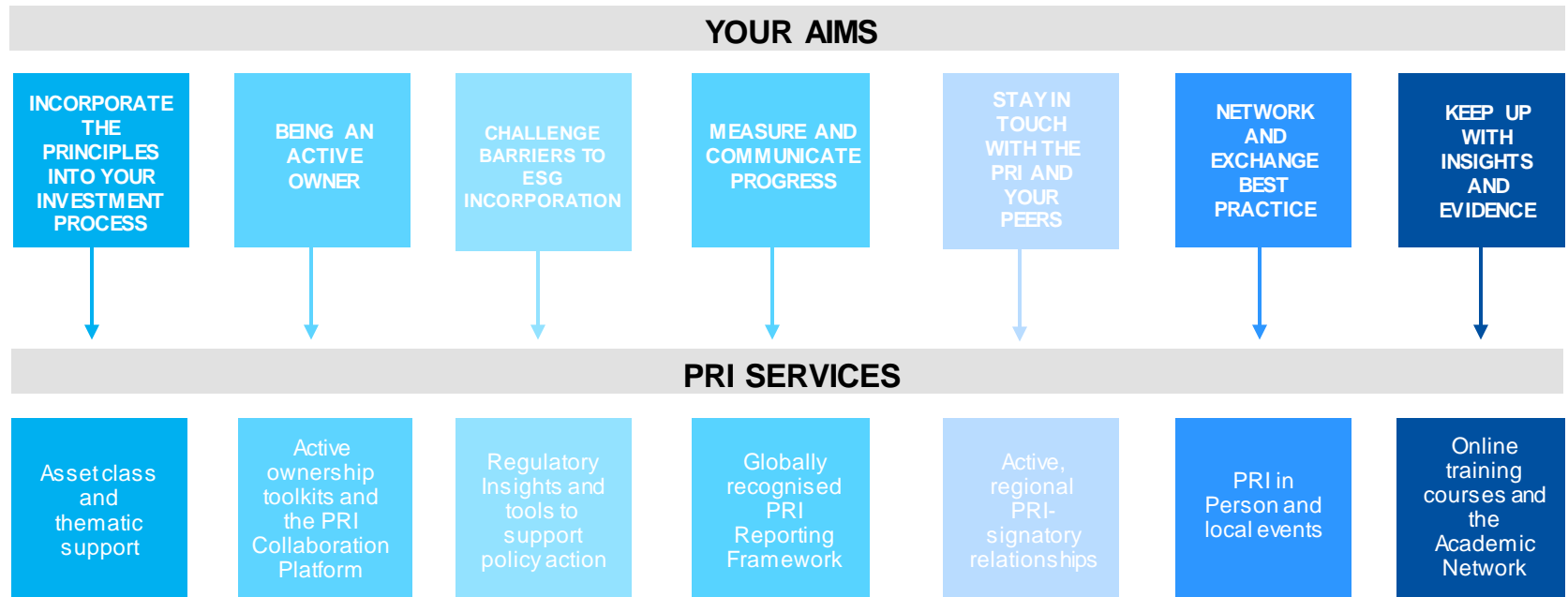
- Challenge barriers to a sustainable financial system
- Drive meaningful data throughout markets

## A prosperous world for all

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

# PRI services

How the PRI works with signatories



# PRI Academy

The global leader in responsible investment training

The PRI Academy trains financial services, corporate and other professionals seeking to learn how ESG issues impact company performance, shareholder value and investment decision making.

Drawing on the PRI's unique global perspective, the PRI Academy's flexible, online courses feature content from leading international experts, practical case studies, financial modelling, and have been designed to help maximise the practical application of key ESG concepts in a convenient timeframe.

## Courses

**Getting Started in RI\***

**Foundations in RI**

**Advanced RI Analysis**

**RI for Trustees**

## Updates

\*New content available for 2021

Available for CFA Institute Professional Learning (PL) Credits and CFP Board CE Credits (USA Only).



# 13,892

Enrolments since November 2014



# 86

Countries represented  
by participants



# 97%

Satisfaction rate

## PRI Academy Training is...

- Practical and Applied
- Designed by Subject Matter Experts
- Available Globally
- Flexible and Web-based

## GET IN TOUCH

For more information on how to enrol, visit our [website](#) or email [priacademy@unpri.org](mailto:priacademy@unpri.org).

# Get in touch

Contact your regional [relationship manager](#) for tailored local support

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Director of the Americas

**Lindsey Walton**

Head of Canada

**Kelly Krauter**

Relationship Manager, Canada

**Carol Jeppesen**

Head of US

**Ophir Bruck**

Relationship Manager, US

**Shaska Chirinos**

Relationship Manager, US

**Eduardo Atehortua**

Head of Latin America (ex-Brazil)

**Marcelo Seraphim**

Head of Brazil

## Continental Europe

**Marie Luchet**

Director of Continental Europe

**Dustin Neuneyer (on paternity leave)**

Head of Germany & Austria

**Melanie Klebeck**

Relationship Manager Germany & Austria

**Annaïg Antoine**

Relationship Manager, France

**Ben Leblique**

Relationship Manager, France

**Antonio Santoro**

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**Olivia Fabry-Villette**

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Director of Northern Europe & MEA

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Co-Head of Nordics

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**Aiwen Zhou**

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**Michiyo Morisawa**

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**Minako Yoneyama**

Relationship Manager, Japan

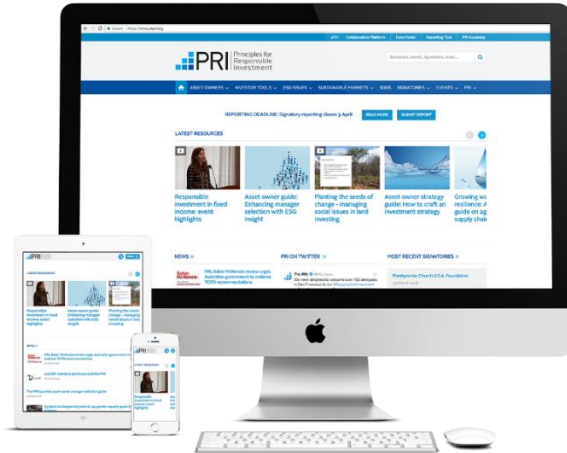
**Sheela Veerappan**

Head of Australasia

For general queries, contact [info@unpri.org](mailto:info@unpri.org).

# Stay informed

Access the latest PRI updates online and via social media



Stay up-to-date with the latest insights via the [PRI website](#).

Need resources in other languages? Click [here](#).

Stay informed on topical debates in responsible investment by reading the PRI blog [here](#).

Update your preferences to choose which PRI newsletters you receive by clicking your name in the top-right-hand corner and selecting 'Edit profile' [here](#).

**Email:** [info@unpri.org](mailto:info@unpri.org)

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## 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](http://www.unpri.org)

