

Background | PRI coordinated engagements

In the last 5 years, the PRI Secretariat has built trust and confidence by investors on collaborating in engagement and proxy voting activities through the Clearinghouse platform. However, there has been a need for the Clearinghouse team to enter a second strategic phase towards highly focused, well researched and supported collaborative engagements. These projects should be able to attract senior representatives, drive relevant changes in corporate behaviour, influence key public policy developments and contribute to face negative ESG externalities on the global economy.

To achieve these goals, the PRI Secretariat and the PRI Advisory Board have decided to set up a new governance structure for the Clearinghouse (CH) work stream. In the first quarter of 2012, a Clearinghouse Steering Committee (CH SC) was established to evaluate and prioritise collaborative engagements and internal resource allocation, develop a general CH policy on the use of the platform and help consolidate the work offered by the PRI Secretariat on collaborative engagements with investee companies and policymakers.

A final list of collaborative engagements to be coordinated by the PRI Secretariat in the next 3 years has been defined by taking into consideration feedback from:

- the Clearinghouse Steering Committee
- PRI signatories (through the CH survey and feedback collected at the PRI in Person event).
- the PRI Secretariat and the Clearinghouse team

The CH SC has agreed that the following criteria should be considered (in order of importance) when prioritising collaborative engagements to be coordinated by the PRI Secretariat:

- Consistent with, and supportive of, the PRI mission and CH vision
- Relevant to a potentially large number of signatories (assessed through the results of the CH survey)
- Significance of the issue/link to negative externalities to the overall economy. Will addressing the issue help the economy overall?
- Strength of the business case (engagements with strong business cases are more likely to succeed)
- Geographical spread (with inclusion of emerging markets)
- Consistency with UN goals, support for UN GC initiatives

The group also agreed that:

- there should be an appropriate diversity of engagements
- there should be engagements that are suitable and relevant to different types of signatories
- the selection process should not focus on one set of criteria only.

After internal analysis of capacity needs and available resources and discussion with the CH SC members, the PRI Secretariat has defined the final list of collaborative engagements coordinated by the PRI. This list will be reviewed and discussed by the CH SC on an annual basis. Steering Committees for each new collaborative engagement topics have been set up in the last quarter of 2012, while invitations to join new phases of already existing initiatives will be circulated throughout 2013.

External stakeholders interested in knowing more or providing relevant information/expertise about the topic/sectors of these priority collaborative initiatives are encouraged to contact relevant Clearinghouse managers.