

## Advancing the UNEP FI Investment Offering

For nearly 30 years, UNEP FI has worked across the 3 industries – banking, insurance, and investment – to catalyze integration of sustainability into financial market practice, including through the establishment of the PRI in 2006, the PSI in 2012 and, most recently, the PRB in 2019.

With the establishment and growth of the PRI, UNEP FI’s investor activities have progressively evolved from providing core membership services to more leadership-focused initiatives such as the Net-Zero Asset Owner Alliance and the groundbreaking work on fiduciary duties.

In November 2018, UNEP FI first proposed to its membership, a deepening of its relationship with PRI to develop a mutually beneficial relationship focused on joint-leadership projects, and where general membership services are provided by PRI.

The plan included:

1. 2021 H1: Establishment of UNEPFI / PRI Investment Leadership Programme
2. 2021 H2: AGM vote to merge UNEP FI investment membership into PRI
3. 2022: i) Transferring UNEP FI investment offering to Investment Leadership Programme; ii) Retiring the Investment Committee; iii) Transformation of the Property Working Group activities to a PRI Real Estate Advisory Group to be housed at PRI

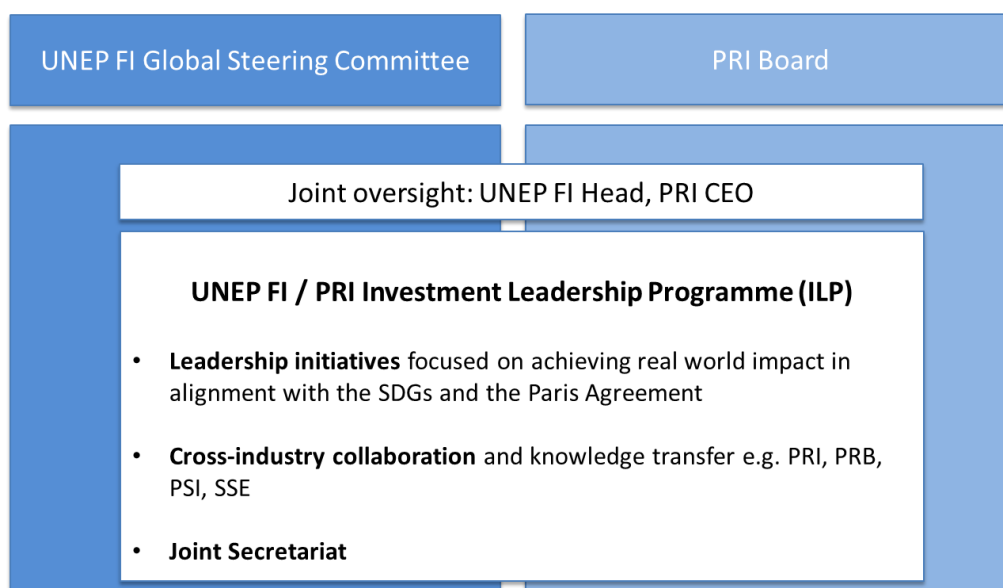
Please see Part II of this document for additional details on the AGM vote.

### Part I - Background on Investment Leadership Programme

The PRI Board and UNEP FI leadership signed a Memorandum of Understanding in January 2021 agreeing to establish a virtual platform of joint investment projects and initiatives. The Investment Leadership Programme was subsequently established in June 2021. It launched with two existing leadership initiatives: ‘U.N.-Convened Net-Zero Asset Owner Alliance’ and ‘A Legal Framework for Impact’.

It has since developed a 2022 workplan focusing on the development of investor leadership initiatives, as well as cross-industry collaborations. Cross-Industry Collaborations are seen as a key objective in bringing together the large PRI Investment membership and UNEP FI’s Banking and Insurance membership. Each project or initiative will operate with separate governance and process features as needed.

## ORGANIZATIONAL SET UP



Further, information on the Investment Leadership Programme can be found online at [Investment Leadership Programme](#).

## Part II – Annual General Meeting Proposed Vote

As a result of the developments described above, the GSC has recommended that the following be put to vote at the 2021 Annual General Meeting:

### **Merger of investment membership with PRI, and Retention of Investor Representation on UNEP FI GSC (through 2 appointed seats)**

The vote will be put to the AGM as a single item containing both elements. A Yes vote in favor would mean the membership be merged and investor representation retained. A No vote would mean that UNEP FI maintains its current practices. The GSC has recommend a Yes vote.

A favorable vote would also mean that UNEP FI continue to offer innovative programmes and cross-industry work addressing the whole of the financial system through the Investment Leadership Programme, while wider membership services for investors will be offered by PRI. It is expected that this will benefit members by reducing membership fees and avoiding duplication of work streams.

### **WHAT WOULD A YES VOTE MEAN FOR INVESTMENT MEMBERSHIP?**

→ 1 Membership Fee (paid to PRI)

→ Maintained access to all leadership programmes jointly run by UNEP FI and PRI through the Investment Leadership Programme

→ Maintained access to all cross-industry collaborations (with banks, investors and insurers) through the Investment Leadership Programme

### **MERGING THE UNEP FI INVESTMENT MEMBERSHIP**

The UNEP FI / PRI Investment Leadership Programme will centralize the entire UNEP FI investment offering and will engage PRI Signatories.

UNEP FI's insurance and banking members, including those with investment management arms, are unaffected by the changes. They continue to be full members of UNEP FI.

### **Part III – Completing the Merger and Leadership Transition**

UNEP FI will wind down any non-leadership investment-related activities/projects/initiatives throughout 2022. This allows UNEP FI to refocus its resources on leadership related activities/projects/initiatives, transferring the UNEP FI investment offering to the Investment Leadership Programme. At the same time, UNEP FI and PRI will work together to advance the first workplan (2022) under the Investment Leadership Programme, scaling up the ILP's activities.

UNEP FI will retire the Investment Committee in 2022. The current committee is operating at half capacity to finish out remainder of terms with the foresight of the pending merger. Investors will continue to be represented at the GSC level through the two appointed seats described in Part II above.

UNEP FI Investment membership will not be invoiced for 2022. Going forward UNEP FI membership base will draw on the PRI membership base.

The Property Working Group activities will transition to the PRI and a 'PRI Real Estate Advisory Committee' will be established in line with PRI structure. Such activities will now provide benefit to and from the 4,000-strong PRI membership base. The existing Property Working Group coordinator at UNEP FI will transition to PRI. Property Working Group members have been consulted on this transition and are encouraged to apply for representation on the [Real Estate Advisory Committee](#) (in addition to PRI membership).