



# RESPONSIBLE INVESTING TODAY

The Principles for Responsible Investment are an initiative of Mr. Kofi A. Annan, former Secretary General of the United Nations. In 2005, he invited major global investors to develop a set of general principles for good conduct with a specific focus on responsible investment. As of February 2017, the PRI has 1,685 signatories from 65 countries, including 93 in Canada.

## THE PRI CAN BE SUMMED UP IN 6 PRINCIPLES

**P** RINCIPLES for  
**R** ESPONSIBLE  
**I** NVESTMENT

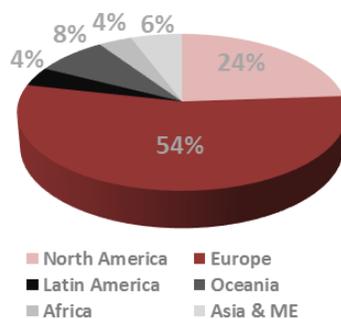
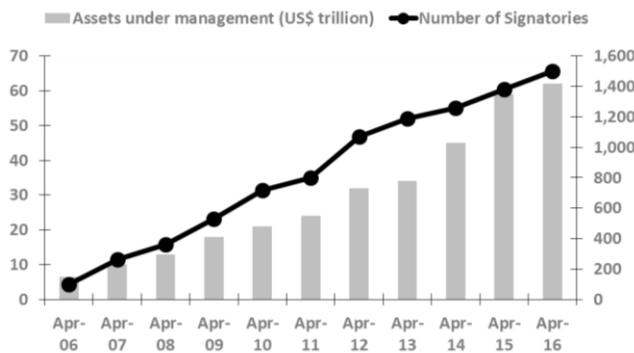
- I. We will incorporate **ESG issues into investment analysis and decision-making** processes.
- II. We will be active owners and incorporate **ESG issues into our ownership policies and practices**.
- III. We will seek appropriate **disclosure on ESG issues** by the entities in which we invest.
- IV.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

**E** NVIRONMENTAL  
**S** OCIAL and  
**C** ORPORATE  
**G** OVERNANCE

*“The Principles for Responsible Investment aim to help integrate consideration of environmental, social and governance (ESG) issues by institutional investors into investment decision-making and ownership practices, and thereby improve long-term returns to beneficiaries.” (Excerpted from Principles for Responsible Investment, UN).*

## HIGHLIGHTS FROM THE 2016 PRI REPORT

**PRI’s signatory base represents more \$60 trillion of assets under management in 2016.**



Source: 2016 PRI Annual Report and PRI website. For more information, visit [www.unpri.org](http://www.unpri.org).



11 global investors were convened by the PRI to explore why **aggressive tax strategies** are material to investors, what red flags to look out for and a list of questions to consider asking companies.

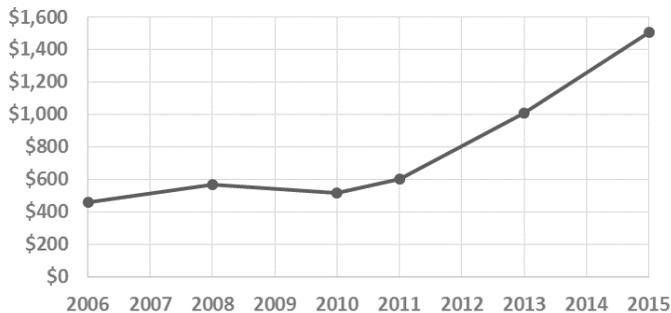
60 investors across the world were brought together to sign a statement outlining expectations of how companies **lobby policy makers on issues relating to climate change**.

24 investors with \$1.5 trillion of assets under management worked to enhance 27 retail companies’ performance and **reporting on employee relations**.



## RESPONSIBLE INVESTMENT IN CANADA

Assets in Canada Managed Using Responsible Investment Strategies (Billions)



**38% of assets** under management in Canada as of December 31, 2015 incorporate a **responsible investment strategy**.

**49% increase** in assets in Canada being managed using one or more RI strategies.

**75%** of the responsible investment industry's growth comes from **pension funds**.

Source: RIA 2016 Canadian Responsible Investment Trends Report. For more information, visit [www.riacanada.ca](http://www.riacanada.ca).

### 3 Top Motivations of asset managers and owners for incorporating ESG factors into investment decisions:

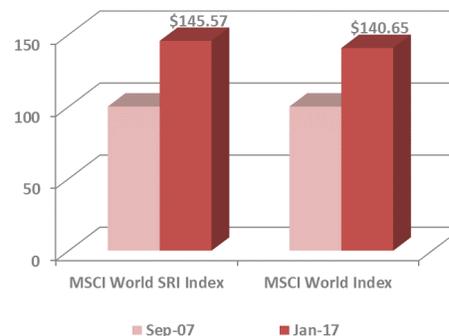
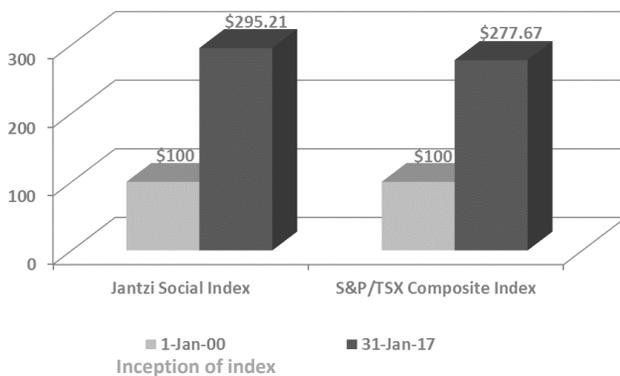
1. Minimize **risk** over time.
2. Improve **returns** over time.
3. Fulfill fiduciary **duty**.

## INVESTMENT RETURNS AND RESPONSIBLE INVESTING

**Index providers have developed indicators to measure the performance of socially responsible companies.**

**Jantzi Social Index (JSI)**<sup>1</sup>: Measures the performance of Canadian companies that pass a set of broadly based environmental, social, and governance rating criteria.

**MSCI World SRI Index**<sup>2</sup>: Measures the performance of companies across 23 Developed Markets (DM) countries with very high ESG ratings.



## PBI

Signatory of:



As a signatory of the Principles for Responsible Investment (PRI), PBI Actuarial Consultants provides annual financial support to the PRI Initiative. As pension and investment consultants, we also actively promote the PRI. PBI's commitment is intended to be a tool for pension committee members and trustees who have a fiduciary responsibility in the administration of their plan's assets. We believe that as institutional investors, pension funds have long-term investment goals which are complementary to the objectives of the PRI.

<sup>1</sup> For more information on the Jantzi Social Index, please consult the Sustainalytics website at [www.sustainalytics.com/indexes](http://www.sustainalytics.com/indexes)

<sup>2</sup> For more information on the MSCI World Index, please visit the MSCI's website at <http://www.msci.com/products/indexes/esg/sri/>



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