

OPENING REMARKS
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PRINCIPLES FOR RESPONSIBLE INVESTMENT ANNUAL CONFERENCE
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Thank you and good afternoon, ladies and gentlemen.

Thinking back to the launch of the Principles for Responsible Investment just over three years ago, it's quite astonishing to consider just how far we've come in this short span.

I know I speak for both the UN Global Compact and UNEP FI when I say that this initiative – this partnership between the global investment community and the United Nations agencies – has surpassed our wildest expectations in terms of growth, innovation and, increasingly, impact.

One of the most profound global trends in recent years has been the convergence between the objectives and aims of the United Nations on the one hand, and those of business and finance on the other.

The Sustainability Agenda is now a shared agenda. We all have a vital stake.

I think we are increasingly aware that today's global challenges and threats – be they related to the economic and financial upheaval, the climate crisis, or other urgent environmental and social issues – are just too large and complex for any one sector to solve or manage alone. Collective action and collaboration is the order of the day.

And the PRI is a leading example of the kind of innovation – in the voluntary realm – that will be required as we seek sustainable and stable markets, economies, and societies.

Already, we have seen a number of important investor engagement activities focused on improving the environmental, social and governance performance of companies and other assets.

As you know, the UN Global Compact – today an initiative encompassing nearly 6000 companies from 130 countries – offers a framework for corporate ESG performance and disclosure. And we encourage PRI signatories to continue to utilize this broad ESG policy framework and the related special initiatives of the UN Global Compact in your work and engagement activities.

We know that one of the aims of the PRI is to broaden engagement and implementation with respect to the range of investment asset classes and relevant ESG issues.

In this regard, we think the next phase of corporate sustainability and Responsible Investment must also consider and incorporate the linkages between and among key environmental, social and governance issues – linkages that may not always be immediately apparent but are nonetheless material and consequential.

Indeed, at the United Nations Global Compact we are currently engaged in a reorientation of global issues – a new paradigm that sees economic, environmental and social issues in global security terms, but also as part of an interconnected portfolio of issues that need to be managed as such.

Increasingly, we speak not just of economic security, but climate security, water security, food security, and health security. Achieving security in any one of these areas can potentially mean the difference between prosperity or chaos for nations and societies around the world.

Moreover, we are actively examining the connectivity of the various security – or ESG – issues.

For example, as Al Gore highlighted yesterday, climate change will have a major impact on fresh water – vital for life and the functioning of business and industry. But few public policy makers, or private sector organizations, or investors for that matter, are integrating their climate and water strategies.

To extend the example, water availability is highly correlated with development and economic growth, including its link to food security. There is also an interesting and important water-energy nexus. Where water is scarce, social unrest and even violent conflict can be the terrible results. Clearly, these are not outcomes conducive to creating healthy and stable business and investment markets.

And there are other important cross-cutting issues explore, including human rights, corruption, and conflict. The UN Global Compact will be convening major policy and working dialogues at the international and regional levels on these and other topics in the coming months and years, and will include investors as key stakeholders in these discussions.

By taking a holistic and integrated view of ESG issues, we can begin to more fully manage the externalities and trade-offs, and maximize positive outcomes.

To sum up, we are absolutely thrilled with the development and potential of the PRI and this historic and evolving partnership between the investment community and the United Nations. We are committed to bringing the best assets of the UN to bear, and to be your full and faithful partner on this journey towards global sustainability.

Thank you.

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