



## Crowd Source

Nearly 1,000 participants gathered in Berlin this week for the annual [UN PRI in Person](#), with 400-plus more turned away due to lack of space. Highlights include:

- **Climate.** The PRI and four climate groups seek investors for an initiative announced Wednesday called [Climate Action 100+](#). It will launch later this year to press the 100 largest global greenhouse gas emitters to cut emissions and report in line with the [Task Force on Climate-related Financial Disclosures framework](#).
- **Managers1.** The PRI could not find an effective way to include proxy voting in its proposed delisting [standards](#), so instead it has been engaging US mutual funds and other asset manager signatories on the topic ([GPW XXI-31](#)). “Asset owners have asked us to provide more guidance on how to vote, especially on climate risk and executive pay,” PRI managing director Fiona Reynolds tells [GPW](#). She says the PRI will publish new guidance on the topic in a few months because “we’re not seeing enough voting in line with responsible investment principles.”
- **Managers2.** A new data [portal](#) allows asset owners to ask managers for the confidential reports they submit to the PRI about compliance with its principles. It has been used 50,000 times since it opened in July. Expect the reports to factor into manager performance.
- **Japan.** The [Government Pension Investment Fund](#) (GPIF) and Japan’s three largest pension funds wrote their asset managers saying they should disclose all proxy votes, said GPIF CIO and PRI board member [Hiro Mizuno](#). Japan’s comply-or-explain stewardship code already calls for such disclosure but this “takes away the ‘explain’ option,” he said.
- **Long term.** Investors can help firms combat market short-termism by committing to long-term strategies, counsels a [report released](#) September 22 by the PRI and the [UN Global Compact](#).
- **Board.** Eleven asset managers, including mainstream ones such as [Credit Suisse](#), [MFS](#) and [PIMCO](#), are vying for one [seat](#) reserved for managers coming open in January on the PRI’s [board](#). [Priya Mathur](#) of [CalPERS](#) and [Renosi Mokate](#) of the [Government Employees Pension Fund](#) of South Africa are up for re-election while [Marcus Madureira](#) of Brazilian pension fund [PREVI](#) is running for the only other asset owner position coming open, due to the term ending of [PREVI](#)

colleague [Marcel Barros](#). Voting opens Oct 16 and closes Nov 28, with winners announced December 4.

- **Next.** PRI in Person next year will be in San Francisco September 12-14—at the same time as the recently scheduled [Climate Summit](#) led by California Governor Jerry Brown. The PRI will coordinate its event so signatories can participate in both.

## Briefings

- ② **Faceoff** [Facebook](#) CEO Mark Zuckerberg last week [scrapped](#) plans to issue non-voting Class C shares on top of existing Class B ones carrying ten votes each that he uses to control the firm ([GPW XXI-23](#)). Likely reasons include a [lawsuit](#), index providers’ decision to exclude non-voting shares from major stock indices and the political furor over Facebook’s hacking by Russia.

 **Guidance** A flurry of global advice on governance and sustainable investment:

- **Stakeholders.** Boards should consider director expertise and training to ensure effective stakeholder engagement, recommends [The Stakeholder Voice in Board Decision Making](#), published Tuesday by the [UK Investment Association](#) and [ICSA: The Governance Institute](#). They plan an update if the [Financial Reporting Council](#) revises the UK corporate governance code to follow government [reforms](#) calling for boards to consider employee input ([GPW XXI-31](#)).
- **Consultants.** Twelve UK investment consultants Monday [pledged](#) to advise client pension funds about ESG investment risk as urged by March [guidance](#) from [The Pensions Regulator](#) ([GPW XXI-13](#)). Signers include [Aon Hewitt](#), [Mercer](#) and [Willis Towers Watson](#).
- **SDGs.** Investors and issuers can use detailed impact indicators to measure progress on the [UN Sustainable Development Goals](#) (SDGs), says a [guide](#) from a working [group](#) convened by Dutch central bank [DNB](#).
- **Integrated reporting** should be adopted by issuers to disclose short and long-term ESG risk, says a [statement](#) published Tuesday by global investors convened by the [International Integrated Reporting Council](#).

 **#WOB Stall** The share of women on ASX 200 boards has stalled at 25% so far this year, warns an [Australian Institute of Company Directors report released](#) Tuesday. That means the 30% target the [AICD](#)

set for next year is unlikely—and virtually impossible to hit this year as [demanded](#) by the [Australian Council of Superannuation Investors](#). Warning of clashes with investors, the AICD has joined with the [30% Club](#) to engage the 11 firms with all-male boards and 64 more with one woman to “offer our assistance in helping them achieve their diversity goals.”

**🚀 Action** The University of Delaware’s [Weinberg Center for Corporate Governance](#) will serve as the secretariat for the [Investor Stewardship Group](#) (ISG), the two [said](#) Wednesday. The ISG, which now includes nearly 50 US and foreign funds, adopted [corporate governance](#) and investor [stewardship](#) principles that take effect in January (GPW [XXI-16](#)). See the partnership as evidence that the governance teams behind the ISG intend to apply the principles in their day-to-day work—a sharp contrast to the one-off Commonsense [Principles](#) led last year by [JP Morgan](#) CEO [Jamie Dimon](#), which entail no follow-up process (GPW [XX-29](#)).

**📖 Open Book** Here’s practice-what-you-preach transparency for you. Yesterday [Catherine Howarth](#), CEO of grassroots UK fund activist [ShareAction](#), was [named](#) chair of an independent shareholder committee at [The People’s Trust](#), a fund started by former [Investment Association](#) CEO [Daniel Godfrey](#) after he was ousted for pushing fund openness (GPW [XIX-36](#)). Howarth’s committee will be consulted on the fund’s executive pay and board nominations.

## 💰 Funds

**A Japanese** engagement [service](#) was launched this week by Tokyo-based [Governance for Owners Japan](#) (GOJ) and Stockholm’s [GES](#), which purchased the engagement arm of [Governance for Owners](#) in 2014 (GPW [XXI-16](#)). The new service is priced at about 20% of GO Japan’s premium engagement product to offer global funds access to Japanese boardrooms with a lighter touch than GOJ’s full-service [model](#).

## 🔧 Toolkit

**The Reporting Exchange** was [launched](#) Wednesday by the [World Business Council for Sustainable Development](#) to offer continuously updated data on global ESG reporting regulations, initiatives, standards and codes (GPW [XIX-41](#)).

**Surprisingly**, most investors plan to analyze CEO/worker pay ratios required to be reported by US issuers next year, finds a [summary](#) of responses to [ISS](#)’s 2018 policy [survey released](#) Monday.

**More than 80%** of UK investors assign ESG engagements to their portfolio managers rather than to specialists, says a [survey](#) of asset owner and managers [published](#) September 21 by the [Pensions and Lifetime Savings Association](#) (PLSA) and the [Investment Association](#).

“This indicates that for the majority stewardship is part of, and well integrated into, the investment process,” the two conclude.

**A trustee** effectiveness [service](#) was [launched](#) September 14 by the PLSA and [KPMG](#) to help UK pension fund boards review their internal governance.

**Shareholders** have become more critical of executive pay at German issuers, says a [Georgeson](#) proxy season [review](#) of major European markets released yesterday.

**Disclosure** of political spending continues to gain ground among the S&P 500, finds an annual [index](#) published Tuesday by the US [Center for Political Accountability](#).

## 👤 People

**Marcel Jeucken** will [step](#) down in November as head of responsible investment at [PGGM](#) to become an independent consultant. The 13-person unit he founded at the Dutch pension fund manager in 2006 has become a leader on ESG integration. His role will be filled by private markets CIO [Frank Roeters van Lennep](#) while a search for a successor takes place.

**Laurence Hazell** has retired as head of corporate governance at [S&P](#), which he joined in 2003. An ESG ratings [framework](#) he has been working on is still in development (GPW [XXI-17](#)).

**Allison Bennington**, the general counsel of private equity firm [ValueAct](#), has [joined](#) the US SEC’s [Investor Advisory Committee](#). The firm, a governance activist known for taking long-term positions, [owns](#) stakes in MSCI, Moody’s and Morgan Stanley.

**Michael Baldinger**, head of sustainable investing at [UBS](#), is expanding his team from 13 to 20-plus by next year. Six of the new posts are being filled by ESG research head [Chris Greenwald](#), who joined from [RobecoSAM](#) in February (GPW [XXI-06](#)).

**Moody’s** [seeks](#) an expert to develop a corporate governance framework for its credit analysis.

## 📅 Diary

The calendar for October, Part 2. Click [here](#) to access the entire 2017 diary on GPW’s website.

- ➔ Oct. 19-20, Tokyo. *Asian Roundtable on Corporate Governance*, OECD. [www.oecd.org/daf/ca/](#).
- ➔ Oct. 24, Newark, Delaware. *Telling Your Company’s Story: The Board’s Role in Disclosure*, Weinberg Center for Corporate Governance. [www.weinberg.udel.edu](#).
- ➔ Oct. 25, New York. *ESG Investing Forum*, TruValue Labs. [www.insight360.io](#).
- ➔ Oct. 26, Amsterdam. *Transparency Symposium*, Transparency Task Force. [www.transparencytaskforce.org](#).

## 🚫 Break

GPW is published 46 times a year and will take a break next week. The next issue will be October 13.