

# ENGAGING ON ANTI-BRIBERY AND CORRUPTION



SHOWCASING LEADERSHIP  
IN RESPONSIBLE INVESTMENT

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The PRI is an investor initiative in partnership with UNEP  
Finance Initiative and UN Global Compact



# The PRI Initiative

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## UN PARTNERS:

UNEP FINANCE INITIATIVE  
UN GLOBAL COMPACT



1506

## SIGNATORIES:

ASSET OWNERS  
INVESTMENT MANAGERS  
SERVICE PROVIDERS



62

US\$ trn

ASSETS UNDER  
MANAGEMENT

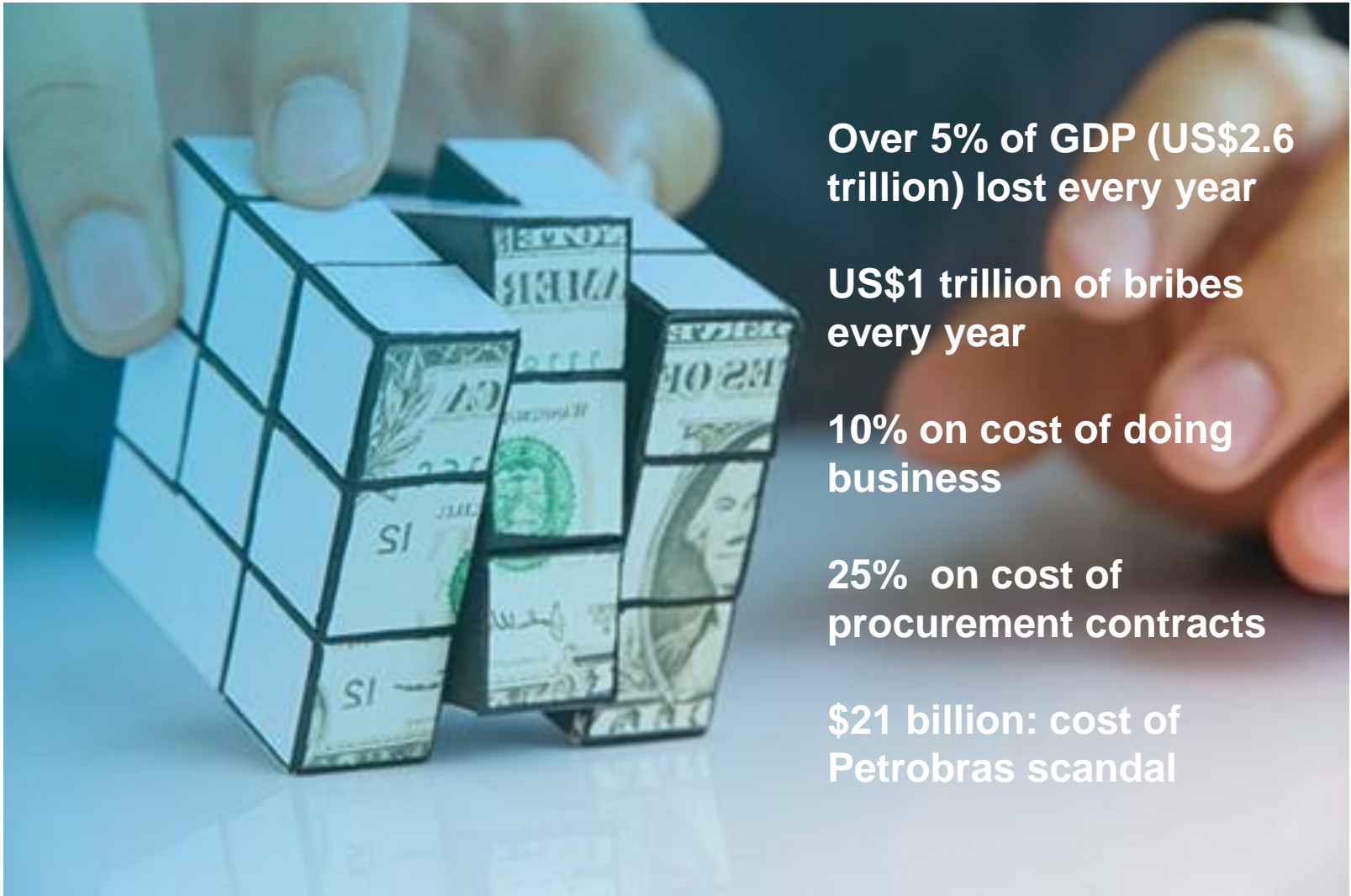


# The Principles

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



# FIGHT AGAINST CORRUPTION



**Over 5% of GDP (US\$2.6 trillion) lost every year**

**US\$1 trillion of bribes every year**

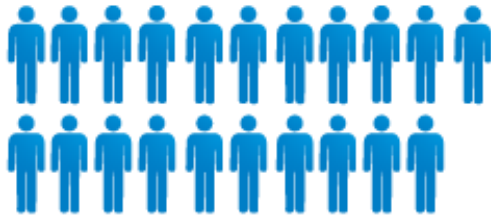
**10% on cost of doing business**

**25% on cost of procurement contracts**

**\$21 billion: cost of Petrobras scandal**

# ANTI-CORRUPTION - COLLABORATION

(2013 – 2015)



**34 signatories**  
approximately  
**\$ 2.7 tr. AUM**



## Objectives

- Improved disclosure
  - Implementation
- > investors better manage risk exposure

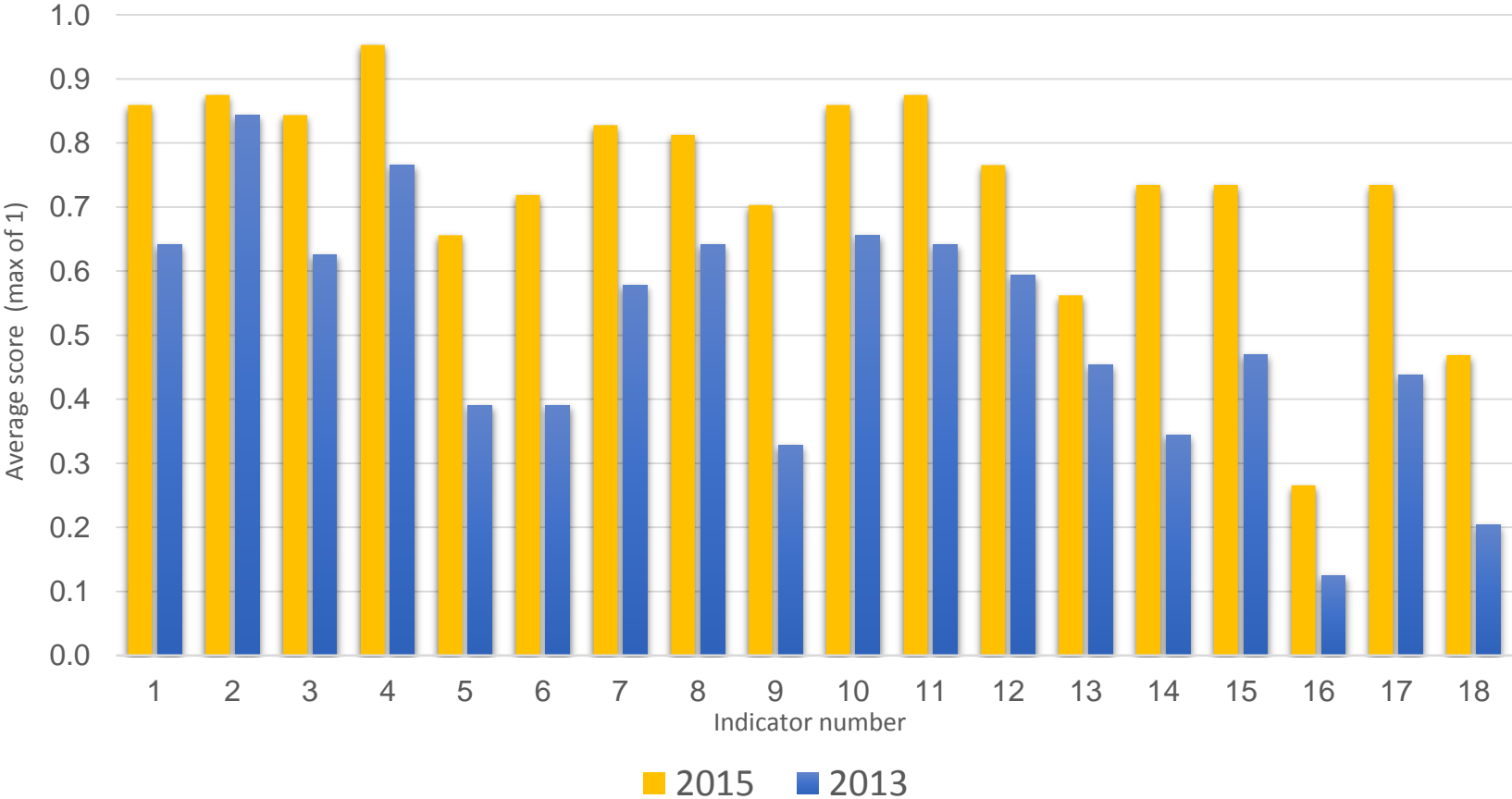


**TRANSPARENCY  
INTERNATIONAL**

- TRAC2 methodology + 5 additional indicators
- Benchmarking pre and post engagement, using points system
- 32 companies

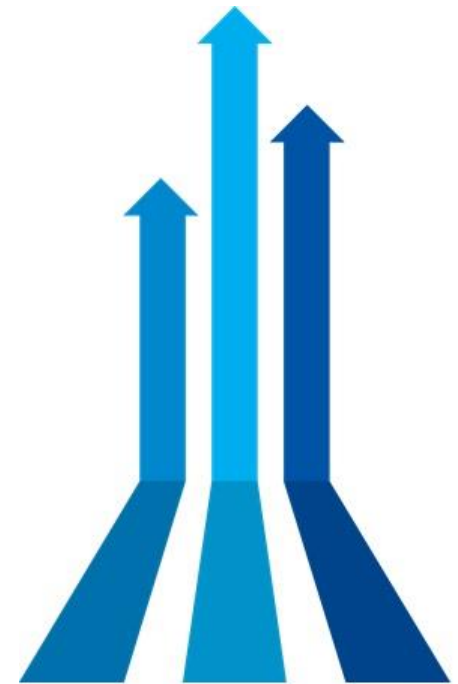
# ANTI-CORRUPTION - Results

## Indicator performance - average per company



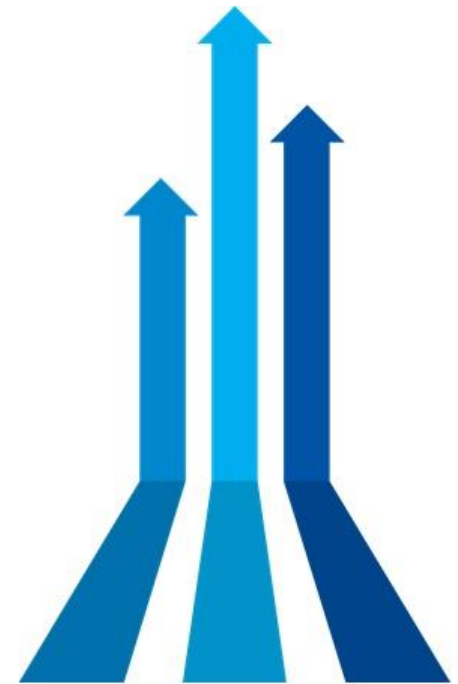
## WHAT WORKED

- **Conversation with experts and leading companies**
- **Collaboration between pension funds and investment managers**
- **Understanding of cultural differences**
- **Benchmarking companies**
- **Bilateral dialogue between investors and companies**
- **Access to corporate Boards**



# CHALLENGES

- **Scoring on policies and practices is not enough: controversies keep happening**
- **Difficult to grasp corporate culture**
- **Limited results on use of whistleblowing**





# Thank you!

More information: <https://unpri.org/about/pri-teams/esg-engagements>

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