

WHAT IS THE RELATIONSHIP BETWEEN IRIS AND PRI?

Investors that are signatories of the Principles for Responsible Investment (PRI) can use the IRIS catalog of metrics to help demonstrate their commitment to responsible investment practices.

WHAT IS PRI?

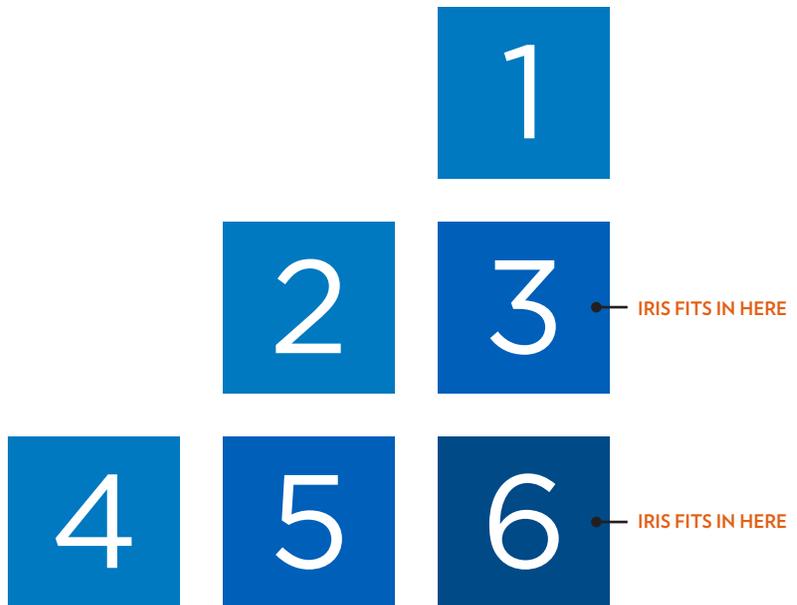
The Principles for Responsible Investment (PRI) provide a global framework, via six principles, for mainstream investors to consider environmental, social and corporate governance (ESG) matters. The PRI Initiative was launched by the United Nations in 2006 after former UN Secretary-General Kofi Annan brought together a group of the world's largest institutional investors, academics, and other advisors to draft a set of sustainable investment principles. At the heart of the initiative is the premise that investors have a duty to act in the long-term best interests of their beneficiaries, which requires that they take environmental, social, and governance factors into account.



As of February 2015, more than 1,350 organizations are signatories of the PRI Initiative, demonstrating their commitment to the Principles. More information about the initiative and the signatories can be found on the PRI website: www.unpri.org

THE SIX 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.



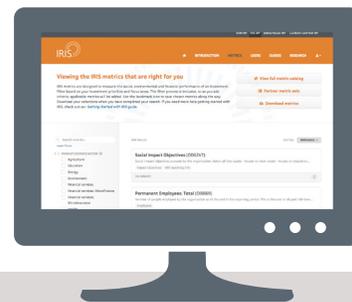
WHAT IS IRIS?

IRIS is the catalog of generally-accepted performance metrics that leading impact investors use to measure social, environmental, and financial success, evaluate deals, and grow the credibility of the impact investing industry. IRIS is managed by the Global Impact Investing Network (GIIN), a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing.

The GIIN offers IRIS as a free public good to support transparency, credibility, and accountability in impact measurement practices across the impact investing industry. IRIS adds value to the practice of impact investing in the following ways:

<p>1</p> <p>ONE-STOP SHOP</p> <p>By cataloging the most useful metrics from across the industry in one place, IRIS takes the guesswork out of which performance metrics to use.</p>	<p>2</p> <p>AGGREGATE & COMPARE</p> <p>By providing a standard common language to talk about results, IRIS makes it easier to compare investments and aggregate information across a portfolio.</p>	<p>3</p> <p>INCREASE CREDIBILITY</p> <p>98% of investors recognize the importance of standardized metrics and over 5,000 organizations are using IRIS to evaluate, communicate and manage their social and environmental performance.</p>	<p>4</p> <p>REDUCE REPORTING BURDEN</p> <p>IRIS doesn't reinvent the wheel and incorporates and aligns with widely accepted 3rd party standards wherever possible. Organizations can use IRIS as the anchor for their diverse reporting requirements.</p>
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Strong impact measurement and reporting practices benefit the full spectrum of stakeholders in an investment, fuelling more effective delivery of goods and services to beneficiaries, better management and effectiveness of impact organizations, and more reliable information for investors, which generates additional commitments of capital to high-impact investments.



More information can be found on the IRIS website: iris.thegiin.org

USING PRI AND IRIS

PRI is a framework for responsible investment. IRIS is a catalog of metrics that supports adherence to this framework. Use of IRIS supports adherence to Principles 3 and 6 of the PRI framework.



PRINCIPLE 3: COMPANY DISCLOSURE

IRIS links to Principle 3 of the PRI, which states that signatories will “seek appropriate disclosure on ESG issues by the entities in which they invest.” Measurement and reporting of ESG issues is essential from an investment perspective, in order to:

- fully assess the risks and opportunities associated with particular investments;
- make better investment decisions; and
- generate more accurate valuations of businesses.

PRI signatories can use IRIS metrics when asking investees to report on ESG matters. Similarly, investors can more easily evaluate potential investments if organizations are using the standardized metrics cataloged in IRIS to report on social and environmental impact.



PRINCIPLE 6: INVESTOR TRANSPARENCY AND REPORTING

PRI signatories are required to use the PRI Reporting Framework to fulfill Principle 6, which states that signatories will “report on activities and progress towards implementing the Principles.” The Reporting Framework mainly consists of indicators relating to investor organisations’ policies and processes. IRIS metrics can be used by investors to report to their clients and stakeholders on portfolio characteristics, and can therefore be used as a complement to the PRI Reporting Framework. The IRIS metrics focus on outputs and outcomes and are organized according to sectors, objectives, or investment themes.

View the documents below to see examples of how PRI signatories use IRIS metrics as part of their impact measurement and reporting processes.

Sarona Asset Management: Driving Standardisation in Impact Measurement

A PRI publication that describes Sarona’s impact measurement process, including how they choose IRIS metrics.

www.unpri.org/viewer?file=wp-content/uploads/ESthemedinvestingcasestudy_Sarona.pdf

Obviam: A Harmonised Approach to Measuring Impact

A PRI publication that describes Obviam’s impact measurement process, including how they choose IRIS metrics.

www.unpri.org/viewer?file=wp-content/uploads/ESthemedinvestingcasestudy_Obviam.pdf

Understanding the impact of your investments

A PRI publication that provides an introduction to environmental and social performance measurement and reporting, including guidance on how organizations can use IRIS to support these efforts.

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