

PRI REPORTING FRAMEWORK 2017

Strategy and Governance

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# Understanding this document

In addition to the detailed indicator text and selection options, in each module of the PRI Reporting Framework, you can find information that will help you to identify which indicators are relevant for your organisation.

**Top bar**

Key information about each indicator is highlighted in the top bar, including the indicator status (mandatory or voluntary), the purpose of the indicator, and which PRI Principle it relates to.

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|  | Indicator status | Purpose | Principle |
| xxx 01 | MANDATORY | CORE ASSESSED | PRI 2 |

**Indicator status**

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| --- | --- |
| MANDATORY | Mandatory indicators reflect core practices. These responses will be made public and must be completed to submit the framework. |
| MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | Some indicators are mandatory to complete but voluntary to disclose. These indicators may determine which subsequent indicators are applicable or are used for peering, but they may also contain commercially sensitive information. |
| VOLUNTARY | Voluntary indicators reflect alternative or advanced practices. These indicators are voluntary to report and disclose. |

**Purpose**

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| Gateway |  | The responses to this indicator ‘unlock’ other indicators within a module if they are relevant for your organisation. Please refer to the logic box for more information. |
| Peering |  | These indicators are used to determine your peer groups for assessment purposes. |
| Core assessed |  | These indicators form the core of the assessment and represent the majority of your final assessment score. |
| Additional assessed |  | These indicators represent more advanced or alternative practices and contribute to a smaller part of your score. |
| Descriptive |  | These are open-ended narrative indicators that allow you to describe your activities. |

**Underneath the indicator**

Underneath the indicator, you can find the explanatory notes and definitions that contain important information on interpreting and completing the indicators. Read the logic box to make sure an indicator is applicable to you.

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| xxx 01 | **EXPLANATORY NOTES** |
| **xxx 01.1** | This provides guidance on how to interpret the sub-indicators, including examples of what could be reported. |
| **xxx 01.2** |
| **LOGIC** | |
| **xxx 01** | This explains when this indicator is applicable and/or if it has an impact on subsequent indicators. If there is no logic box, the indicator is always applicable and does not affect other indicators. |
| **ASSESSMENT** | |
| **xxx 01** | This provides a brief overview of the pilot assessment approach for this indicator. |
|  |  |
| xxx 01 | **DEFINITIONS** |
| **xxx 01** | Specific terms that are used in the indicator are defined here. |

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# Pathways through the module

**SG 04:** Identifying incidents occurring within portfolios

**SG 01:** RI policy and coverage

**SG 06:** Main goals/objectives this year

RI policy or guidance documents

No RI policy or other guidance document referring to RI

**SG 02** Publicly available RI policy or guidance documents

**SG 03:** Conflicts of interest

**SG 05:** RI goals and objectives

**SG 07:** RI roles and responsibilities

**SG 08:** RI in performance management, reward and/or personal development

Specific roles with responsibility for RI

No roles have responsibility for RI.

**SG 10:** Promoting RI independently

**SG 11:** Dialogue with public policy makers or regulators

**SG 17**: Innovative features of approach to RI

**SG end:** Module confirmation page

Only if ESG issues are considered for internally or externally managed assets not reported elsewhere in the framework

Objectives set for RI activities

Objectives not set for RI activities

**SG 09:** Collaborative organisations / /initiatives

**SG 12:** ESG issues in strategic risks and opportunity

**SG 13:** Long-term investment risks and opportunity

**SG 14**: Allocation of assets to environmental and social themed areas

**SG 15:** ESG issues for internally managed assets not reported in framework

**SG 16:** ESG issues for externally managed assets not reported in framework

# Preface

The information reported in this module will enable your stakeholders to understand your organisation’s overarching approach to responsible investment (i.e., your governance, your responsible investment policy, objectives and targets, the resources you allocate to responsible investment and your approach to collaboration on responsible investment and public policy-related issues) and the incorporation of ESG issues into asset allocation.

# Summary of updates

|  |  |
| --- | --- |
| Indicator | Update |
| SG 01 | SG 01.3 has been renumbered to 01.4  A new sub-indicator has been added, SG 01.3, where asset owners will be able to indicate what their responsible investment policy covers.  SG 01.4 has been renumbered to 01.6.  A new sub-indicator has been added, SG 01.5. where you will asset owners will be able to describe their investment principles and overall investment strategy. |
| SG 02 | A new indicator has been added, SG 02.2, enabling asset owners to report the availability of their investment policy documents.  SG 02.2 has been renumbered to 02.4.  A new indicator has been added, SG 02.3, enabling you to indicate whether your organisation’s investment principles, and overall investment strategy is publicly available. |
| SG 03 | SG 03.3 has been removed. |
| SG 04 | This is a new indicator enabling you to report on whether and how you identify and manage incidents that occur within portfolio companies. |
| SG 05 | This indicator has been renumbered from SG 04.  What was previously SG 04.2 in the 2016 reporting framework has been removed. |
| SG 06 | This indicator has been renumbered from SG 05. |
| SG 07 | This indicator has been renumbered from SG 06. |
| SG 08 | This indicator has been renumbered from SG 07.  A new sub-indicator has been added, SG 08.4, enabling asset owners to describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes. |
| SG 09 | This indicator has been renumbered from SG 08.  New explanatory notes have been added to this indicator, changing the instructions for how to report on this indicator.  What was previously SG 08.2 in the 2016 reporting framework has been removed. |
| SG 19 | This indicator has been renumbered from SG 09  SG 10.3 has been amended and now allows you to specify any further individual and collaborative initiatives that your organisation has taken part in. |
| SG 11 | The wording in SG 11.1 has been slightly changed.  SG 11.4 has been amended and now allows you to provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on. |
| SG 12 | This indicator has been reworded from SG 11.  The indicator status has been changed. SG 12 is now Mandatory to report on.  New instructions have been added for SG 12.3 |
| SG 13 | This indicator has been renumbered from SG 12.  SG 13.1 – 13.3 have been reworded slightly. |
| SG 14 | This indicator has been renumbered from SG 13.  What was SG 13.2 in the 2016 reporting framework has been removed.  SG 14.3 has been renumbered to SG 14.2 and has been reworded.  SG 14.3 has been removed. |
| SG 15 | This indicator has been reworded from SG 14.  What was SG 14.2 in the 2016 reporting framework has been removed. |
| SG 16 | This indicator has been renumbered from SG 15.  What was SG 15.2 in the 2016 reporting framework has been removed.  What was previously SG 16 in the 2016 reporting framework has been removed. |
| SG 17 | SG 17.3 has been removed. |
| SG 18 | This indicator has been restructured and moved to the Closing Module. |
| Prefilling | Prefilling is enabled for this module except the following indicators:   * SG 01 because this indicator has been restructured: * SG 02 because it has been restructured. * SG 04 because this is a new indicator. * SG 08 because the instructions have changed for this indicator. * SG 09 because the instructions have changed for this indicator. * SG 10 due to change of wording and instructions. * SG 11 due to change of wording and instructions; * SG 12 because the indicator status has changed to Mandatory and new instructions have been added. * SG 13 because of rewording; * SG 14.2 as it has been reworded. * SG 18 as it has been restructured and moved the Closing Module. |

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| SECTION |
| Investment Policy |

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|  | Indicator status | Purpose | Principle |
| SG 01 | MANDATORY | CORE ASSESSED | GENERAL |

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| SG 01 | INDICATOR | |
| **SG 01.1** | Indicate if you have an investment policy that covers your responsible investment approach. | |
| 🔾 Yes | 🔾 No |
| **SG 01.2** | Indicate the components/types and coverage of your policy | |
| **Policy components/types** | **Coverage by AUM** |
|  | ❑ Policy setting out your overall approach  ❑ Formalised guidelines on environmental factors  ❑ Formalised guidelines on social factors  ❑ Formalised guidelines on corporate governance factors  ❑ Asset class-specific RI guidelines  ❑ Sector-specific RI guidelines  ❑ Screening/exclusions policy  ❑ Engagement policy  ❑ (Proxy) voting policy  ❑ Other, please specify (1)\_\_\_\_\_\_\_\_  ❑ Other, please specify (2)\_\_\_\_\_\_\_\_ | 🔾 Applicable policies cover all AUM  🔾 Applicable policies cover a majority of AUM  🔾 Applicable policies cover a minority of AUM |
| **SG 01.3** | Indicate if the investment policy covers any of the following: | |
|  | ❑ Your organisation’s definition of ESG and/or responsible investment and its relation to investments  ❑ Your investment objectives that take ESG factors/real economy influence into account  ❑ Processes / approaches to incorporating ESG  ❑ Time horizon of your investment  ❑ Governance structure of organisational ESG responsibilities  ❑ ESG incorporation approaches  ❑ Active ownership approaches  ❑ Reporting  ❑ Other RI considerations, specify (1) \_\_\_\_\_  ❑ Other RI considerations, specify (2) \_\_\_\_\_ | |
| **SG 01.4** | Indicate what norms you have used to develop your investment policy that covers your responsible investment approach. | |
| ❑ UN Global Compact Principles  ❑ UN Guiding Principles on Business and Human Rights  ❑ Universal Declaration of Human Rights  ❑ International Bill of Human Rights  ❑ International Labour Organization Conventions  ❑ United Nations Convention Against Corruption  ❑ OECD Guidelines for Multinational Enterprises  ❑ Other, specify (1) \_\_\_\_\_  ❑ Other, specify (2) \_\_\_\_\_  ❑ Other, specify (3) \_\_\_\_\_  ❑ None of the above | |
| **SG 01.5** | Describe your organisation’s investment principles and overall investment strategy, and how they consider ESG factors and real economy impact. | |
|  | |
| **SG 01.6** | Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach.  [Optional] | |
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| SG 01 | **EXPLANATORY NOTES** | | |
| **SG 01.1&2** | ‘Investment policy’ here refers to an overall statement that actualises the approach on how your organisation will achieve its identified mission, and will build on your investment strategy, outline your investment objectives, and give guidance to investment processes as well as your standards for measuring success/performance. The investment policy will also cover your approach to responsible investment, or ESG issues, in your investment activities.  Some smaller funds may simply adopt the policies of their parent entities or the policies of key clients. In this situation, these policies should be treated as the organisation’s own policies, and a note to this effect should be provided here.  This section does not focus on policies covering office or operational management (e.g., recycling) or other matters not related to investment activities (e.g., corporate philanthropy). *Investment Policy: Process & Practice – A Guide for Asset Owners* can be found [here](https://www.unpri.org/download_report/24553).  *Policy components/types*  The policies listed here may be contained in a single document or multiple separate documents. You may therefore be able to tick multiple boxes.   * Select ‘formalised guidelines on RI in asset classes’ if you have specific policy statement(s) covering issues in individual asset class(es). * Select 'engagement policy' if your policy refers to any active ownership activities you conduct in your listed/non-listed asset classes excluding (proxy) voting. * Select ‘formalised guidelines on corporate governance factors’ or ‘formalised guidelines on environmental and social factors’ if your policy explicitly references guidelines and/or processes on how to address E, S, and/or G issues in your investment process and in your approach to ESG incorporation and active ownership.   *Coverage by AUM*  Some policies might apply in principle to all asset classes while being implemented in different ways in different contexts. Policies on (proxy) voting and those that relate to specific asset classes (e.g., covering issues specific to property or hedge funds) obviously do not apply to all asset classes. For example, a (proxy) voting policy might cover all listed equity assets, but in relation to all AUM, it only represents 30%. In this case, you should still select the ‘Applicable policies cover all AUM’ option.  Some general policies that are not in themselves specific to an individual asset class might in practice not be implemented in certain asset classes or certain parts of certain asset classes. For example, an investor might choose not to undertake engagement with companies in particular markets. | | |
| **SG 01.3** | ‘Investment policy’ here refers to an overall statement that actualises the approach on how your organisation will achieve its identified mission, and will build on your investment strategy, outline your investment objectives, and give guidance to investment processes as well as your standards for measuring success/performance. The investment policy will also cover your approach to responsible investment, or ESG issues, in your investment activities.  This section does not focus on policies covering office or operational management (e.g., recycling) or other matters not related to investment activities (e.g., corporate philanthropy).   * Select ‘Your organisation’s definition of ESG and/or responsible investment and its relation to investments’ if you set an objective for measuring ESG risk factors in your portfolio and/or define what success looks like for a well-executed ESG strategy. * Select ‘Your investment objectives that take ESG factors/real economy influence into account’ if you have developed a set of investment objectives for your investments that take ESG factors into account. For example, this could be done through a risk, return, real economy influence and longer time horizon perspective. * Select ‘Governance structure of organisational ESG responsibilities’ if you cover accountability and responsibilities in regards to the implementation of the investment policy. * Select ‘ESG incorporation approaches’ if you cover specific ESG approaches as the means to achieve the investment objectives in your policy sections.   Refer to PRI's discussion paper [*Crafting an Investment Strategy – A Process Guidance for Asset Owners*](https://www.unpri.org/download_report/22177) that can provide additional support to asset owners in the development of a clear and explicit investment strategy. | | |
| **SG 01.4** | This indicator focuses on the types of international norms that were used to develop your RI policy. | | |
| **SG 01.5** | This indicator gives you the opportunity to provide details of your organisation’s investment principles and overall investment strategy and comment on the strategy aspects such as   * ESG factors, * real economy influence, * time horizon etc. * and how these aspects have influenced and are incorporated in the strategy | | |
| **SG 01.6** | This indicator gives you the opportunity to provide a broad overview of your responsible investment policy, and to comment on issues such as:   * your motivation for pursuing responsible investment. This might include one or more of the following:   + to improve the financial performance of your investments;   + to promote the accountability of investee companies to shareholders;   + to promote sustainable capital markets and reduce systemic risks through your investments;   + to uphold values or ethical standards or to promote compliance with international law, codes or guidelines; and/or   + to promote change in public policy relating to ESG issues; * the scope of the policy; * who approved the policy; * when the policy was adopted and how frequently it is reviewed; * any significant exceptions to the policy; * how the policy is implemented; and * the specific ESG issues covered by the policy. You may for example wish to describe how your policy covers climate change or other ESG themes. | | |
| **LOGIC** | | | |
| **SG 01** | Indicators [01.2], [01.4], [01.6] and [02] will be applicable if you are an investment manager and report “Yes” in [01.1].  Indicators [01.3], [01.4], [01.5], [01.6] and [02] will be applicable if you are an asset owner and report “Yes” in [01.1] | | |
| **ASSESSMENT** | | | |
| **SG 01** | Your assessment will be based on your responses to [01.1]. | | |
|  | Indicator scoring methodology | | |
|  | Selected response | Level score | Further Details |
|  | Policy Components | | |
|  | No RI policy | 🞈 |  |
|  | One selection in policy component covering majority/all AUM OR  Two selections covering minority of AUM | ★ |  |
|  | Two selections covering majority/all AUM OR  Three or more selections covering minority AUM | ★★ |  |
|  | Three or more selections covering majority/all AUM | ★★★ |  |

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| SG 01 | **DEFINITIONS** |
| Investment policy | ‘Investment policy’ here refers to an overall statement that actualises the approach on how your organisation will achieve its identified mission, and will build on your investment strategy, outline your investment objectives, and give guidance to investment processes as well as your standards for measuring success/performance. The investment policy will also cover your approach to responsible investment, or ESG issues, in your investment activities. |
| Real economy influence | Real Economy Influence is the extent to which an investment positively or negatively impacts the real economy, including environment, social, and governance impacts, additionally to financial return. |
| Investment strategy | A high level strategic plan which embeds comprehensive consideration of all long-term trends affecting your portfolios and how to operate as efficiently as possible for the benefit of your stakeholders. |
| Investment principles | (also referred to as investment beliefs) A set of clear, impactful statements that will help to define your investment strategy and, later on, help to make investment decisions in line with that strategy. |

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|  | Indicator status | Purpose | Principle |
| SG 02 | MANDATORY | CORE ASSESSED | PRI 6 |

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| SG 02 | INDICATOR | | |
| **SG 02.1** | Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document. | | |
|  | Policy or document name | URL | Attachment (optional) |
|  | ❑ Policy setting out your overall approach |  |  |
| ❑ Formalised guidelines on environmental factors |  |  |
| ❑ Formalised guidelines on social factors |  |  |
| ❑ Formalised guidelines on corporate governance factors |  |  |
| ❑ Asset class-specific RI guidelines |  |  |
| ❑ Sector specific RI guidelines |  |  |
| ❑ Screening/exclusions policy |  |  |
| ❑ Engagement policy |  |  |
| ❑ (Proxy) voting policy |  |  |
| ❑ Other, please specify (1)\_\_\_\_\_\_\_\_ |  |  |
| ❑ Other, please specify (2)\_\_\_\_\_\_\_\_ |  |  |
| ❑ We do not publicly disclose our investment policy documents |  |  |
| **SG 02.2** | Indicate if any of your investment policy components are publicly available. Provide a URL and an attachment of the document | | |
| Policy components | URL | Attachment (optional) |
| ❑ Your organisation’s definition of ESG and/or responsible investment and its relation to investments |  |  |
| ❑ Your investment objectives that take ESG factors/real economy influence into account |  |  |
| ❑ Processes / approaches for incorporating ESG |  |  |
| ❑ Time horizon of your investment |  |  |
| ❑ Governance structure of organisational ESG responsibilities |  |  |
| ❑ ESG incorporation approaches |  |  |
| ❑ Active ownership approaches |  |  |
| ❑ Reporting |  |  |
| ❑ Other, please specify (1) \_ |  |  |
| ❑ Other, please specify (2) \_ |  |  |
|  | ❑ We do not publicly disclose any investment policy components |  |  |
| **SG 02.3** | Indicate if your organisation’s investment principles and overall investment strategy is publicly available. | | |
| 🔾 Yes, URL | 🔾 No | |
| **SG 2.4** | Additional information.  [Optional] | | |
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| SG 02 | **EXPLANATORY NOTES** | | |
| **SG 02.4** | If your responsible investment policy or your other responsible investment-related policies or guidance documents are not publicly available, you may indicate whether you plan to publish them in the future or why you do not intend to do so. | | |
| **LOGIC** | | | |
| **SG 02** | Indicator [02.1] and [02.2] are applicable if you reported that your organisation has a responsible investment policy in [01.1] Only the options selected in [01.2] will be presented in this indicator. | | |
| **ASSESSMENT** | | | |
| **SG 02** | Maximum score: Three ★  Your assessment will be based on your responses to [02.1]. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | 'We do not publicly disclose our investment policy documents' | 🞈 |  |
|  | Publicly disclose some documents | ★★ |  |
|  | Publicly disclose all documents | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SG 03 | MANDATORY | CORE ASSESSED | GENERAL |

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| SG 03 | INDICATOR | |
| **SG 03.1** | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. | |
|  | 🔾 Yes | 🔾 No |
| **SG 03.2** | Describe your policy on managing potential conflicts of interest in the investment process. | |
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| SG 03 | **EXPLANATORY NOTES** | | |
| **SG 03** | A conflict of interest may occur where the interest of a client is not the same as, or is not perceived to be the same as, that of your own organisation. This may relate to either the investment management business or other parts of the business.  A conflict of interest may sometimes arise in connection with a responsible investment matter. For example, acting in the interests of clients may indicate that an investor should choose to vote against management at a company or engage with that company; however, the pension fund of that company, or the company itself, may also be a client or potential client of the investor or another part of the investor’s parent organisation. In some markets investors are required under regulation or codes of good practice to have such policies in place. Examples include the US, the UK and South Africa. | | |
| **LOGIC** | | | |
| **SG 03** | [03.2] will be applicable if ‘Yes’ is reported in [03.1] | | |
| **ASSESSMENT** | | | |
| **SG 03** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [03.1]. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ‘No’ | 🞈 |  |
|  | ‘Yes’ | ★★★ |  |

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| --- | --- | --- | --- |
|  | Indicator status | Purpose | Principle |
| SG 04 | VOLUNTARY | DESCRIPTIVE | GENERAL |

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| SG 04 | INDICATOR | |
| **SG 04.1** | Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies. | |
|  | 🔾 Yes | 🔾 No |
| **SG 04.2** | Describe your process on managing incidents | |
|  |  | |

|  |  |
| --- | --- |
| SG 04 | **EXPLANATORY NOTES** |
| **SG 04.2** | You may want to describe how you define, identify and respond to ESG incidents in your portfolio, how do you report on these to your clients/beneficiaries and what policies you have in place to manage the incidents. This indicator is not capturing information on incidents in your own operations.  You can also provide detail on the incidents that took place in the reporting year, the type of the incidents and provide examples of your management, mitigation and reporting strategies.  For example, an incident would be a bribery scandal, a safety accident etc. in the portfolio company. |

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| SECTION |
| Objectives and strategies |

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|  | Indicator status | Purpose | Principle |
| **SG 05** | MANDATORY | GATEWAY/CORE ASSESSED | GENERAL |

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| SG 05 | INDICATOR | | | | | |
| **SG 05.1** | Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities. | | | | | |
|  | 🔾 Quarterly or more frequently | 🔾 Biannually | 🔾 Annually | 🔾 Less frequently than annually | 🔾 Ad-hoc basis | 🔾 It is not set/reviewed |

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| SG 05 | **EXPLANATORY NOTES** | | |
| **SG 05** | For examples of possible objectives, please see the guidance notes for indicator [07], which allows you to describe your objectives in more detail. | | |
| **LOGIC** | | | |
| **SG 05** | [06] will be applicable if anything other than ‘It is not reviewed’ is selected in SG 05.1 | | |
| **ASSESSMENT** | | | |
| **SG 05** | Maximum score: Three ★  This indicator assesses if objectives have been set and how often they are revised in [05.1] | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | 'It is not set/reviewed' | 🞈 |  |
|  | ‘Ad-hoc basis’ or ‘Less frequently than annually’ | ★★ |  |
|  | ‘Annually’, ‘Biannually’, or ‘Quarterly or more frequently’ | ★★★ |  |

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| --- | --- | --- | --- |
|  | Indicator status | Purpose | Principle |
| SG 06 | VOLUNTARY | DESCRIPTIVE | GENERAL |

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| SG 06 | INDICATOR | | | |
| **SG 06.1** | List the main responsible investment objectives that your organisation set for the reporting year | | | |
|  | **Topics** | **Responsible investment objectives** | **Key performance indicator** | **Progress achieved** |
|  | **Responsible investment processes** | ❑ Provide training on ESG incorporation |  |  |
| ❑ Provide training on ESG engagement |  |  |
| ❑ Improved communication of ESG activities within the organisation |  |  |
| ❑ Improved engagement to encourage change with regards to management of ESG issues |  |  |
| ❑ Improved ESG incorporation into investment decision making processes |  |  |
| ❑ Other, specify (1) |  |  |
| ❑ Other, specify (2) |  |  |
| ❑ Other, specify (3) |  |  |
| **Financial performance of investments** | ❑ Increased portfolio performance by consideration of ESG factors |  |  |
| ❑ Other, specify (1) |  |  |
| ❑ Other, specify (2) |  |  |
| ❑ Other, specify (3) |  |  |
| **ESG characteristics of investments** | ❑ Over or underweight companies based on ESG characteristics |  |  |
| ❑ Improved ESG ratings of portfolio |  |  |
| ❑ Setting carbon reduction targets for portfolio |  |  |
| ❑ Other, specify (1) |  |  |
| ❑ Other, specify (2) |  |  |
| ❑ Other, specify (3) |  |  |
|  | **Other activities** | ❑ Joining and/or participating in RI initiatives |  |  |
| ❑ Encouraging others to join a RI initiative |  |  |
| ❑ Documentation of best practice case studies |  |  |
| ❑ Using case studies to demonstrate engagement and ESG incorporation to clients |  |  |
| ❑ Other, specify (1) |  |  |
| ❑ Other, specify (2) |  |  |
| ❑ Other, specify (3) |  |  |
| **SG 06.2** | Additional information.  [Optional] | | | |
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| SG 06 | **EXPLANATORY NOTES** |
| **SG 06** | The responsible investment objectives that organisations may set for themselves may relate to:   * Responsible investment processes: e.g., to better record engagement activities; here a key performance indicator could be the establishment of a new database * Financial performance of their investments – e.g., to increase portfolio performance by over-underweighting companies with particular ESG characteristics; here a key performance indicator could be the change in price of the shares of those companies * ESG characteristics of investments – e.g., to engage with companies in order to persuade them to make a specific change to their management of ESG issues; the KPI here would be the introduction of this change. This could also include any efforts to tackle climate change in your investments (such as measuring your portfolio’s carbon footprint etc.) * Other activities - e.g., to participate in a particular collaborative initiative; the KPI in this case would be participation in the initiative; or * Capacity and resources - e.g., to provide ESG training to investment staff; here the KPI could be the delivery of training |
| **LOGIC** | |
| **SG 06.1** | The key performance indicator and the progress open text boxes will be applicable if you select any of the objectives listed. |

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| SECTION |
| Governance and human resources |

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|  | Indicator status | Purpose | Principle |
| SG 07 | MANDATORY | CORE ASSESSED | GENERAL |

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| SG 07 | **INDICATOR** | | | |
| **SG 07.1** | Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment. | | | |
| **Roles present in your organisation** | **Oversight/ accountability for RI** | **Implementation of RI** | **No responsibility for RI** |
| ❑ Board members or trustees | ❑ | ❑ | ❑ |
| ❑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee | ❑ | ❑ | ❑ |
| ❑ Other chief-level staff or head of department,  specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ |
| ❑ Portfolio managers | ❑ | ❑ | ❑ |
| ❑ Investment analysts | ❑ | ❑ | ❑ |
| ❑ Dedicated responsible investment staff | ❑ | ❑ | ❑ |
| ❑ External managers or service providers | ❑ | ❑ | ❑ |
| ❑ Investor relations | ❑ | ❑ | ❑ |
| ❑ Other role, specify \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ |
| **SG 07.2** | For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities. | | | |
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| **SG 07.3** | Indicate the number of dedicated responsible investment staff your organisation has. | | | |
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| **SG 07.4** | Additional information.  [Optional] | | | |
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| SG 07 | **EXPLANATORY NOTES** | | |
| **SG 07** | This indicator relates to activities that are carried out in-house and activities that are carried out by third parties on your behalf (e.g., vote execution, research). In the left column, please highlight what type of roles you have in your organisation, irrespective of whether they have oversight/accountability or implementation responsibility for responsible investment.  *Oversight and implementation are differentiated as follows.*  Individuals with **oversight** roles are those with management or governance responsibility for ensuring that the organisation implements its policies and achieves its objectives and targets in relation to responsible investment performance.  Individuals with **implementation** roles are those charged with implementing specific aspects of the organisation’s responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy-makers.  As is relevant to the manner in which your organisation oversees its responsible investment activities, this could include a discussion of:   * the roles and responsibilities of your board and senior management; * formal oversight or consultative bodies (e.g., client/beneficiary/external specialist advisory groups); * who has day-to-day responsibility for your responsible investment activities; and * how responsible investment performance is assessed and reviewed.   This information could include an organisational chart. | | |
| **LOGIC** | | | |
| **SG 07** | If you report here that individuals within your organisation have oversight/accountability or implementation roles in relation to responsible investment, the parts of indicator [07.1] that relate to these roles will be applicable. | | |
| **ASSESSMENT** | | | |
| **SG 07** | Maximum score: Three ★  This indicator assesses whether your organisation has an individual with oversight/accountability for RI and an individual implementing RI. It is not necessary to have all the positions listed to receive the full score, and no distinction in terms of score is made between implementation by dedicated RI staff and other internal/external roles. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | No implementation or oversight of responsible investment | 🞈 |  |
|  | Implementation at any level but no oversight | ★ |  |
|  | Oversight at a level below Board, CEO, CIO or Investment Committee level AND implementation at any level | ★★ |  |
|  | Oversight at Board, CEO, CIO or Investment Committee level AND implementation at any level | ★★★ |  |

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| SG 07 | **DEFINITIONS** |
| Dedicated responsible investment staff | Dedicated responsible investment/ESG staff are those individuals with the majority of their time allocated to responsible investment/ESG activities (either oversight or implementation). |

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|  | Indicator status | Purpose | Principle |
| SG 08 | VOLUNTARY | ADDITIONAL ASSESSED | GENERAL |

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| SG 08 | **INDICATOR** | | | | |
| **SG 08.1** | Indicate if your organisation’s performance management, reward and/or personal development processes have a responsible investment element. | | | | |
|  |  | **RI KPIs / goals in objectives** | **RI included in appraisal process** | **Variable pay linked to RI performance** | **RI in personal development / training plan** | |
|  | Board members or trustees | n/a | n/a | n/a | ❑ |
|  | Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee | ❑ | ❑ | ❑ | ❑ |
|  | Other C-level staff or head of department,  specify \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
|  | Portfolio managers | ❑ | ❑ | ❑ | ❑ |
|  | Investment analysts | ❑ | ❑ | ❑ | ❑ |
|  | Dedicated responsible investment staff | ❑ | ❑ | ❑ | ❑ |
|  | Investor relations | ❑ | ❑ | ❑ | ❑ |
|  | Other role [from SG 07] | ❑ | ❑ | ❑ | ❑ |
|  | None of the above | ❑ | ❑ | ❑ | ❑ | |
| **SG 08.2** | Describe any activities undertaken during the reporting year to develop and maintain board members’ skills and knowledge in relation to responsible investment. | | | | |
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| **SG 08.3** | Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment. | | | | |
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| |  |  | | --- | --- | | **SG 08.4** | Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes. | |  | | Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes. | | | | |
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| SG 08 | **EXPLANATORY NOTES** | | |
| **SG 08** | This indicator gives you the opportunity to provide information about how responsible investment is incorporated into your organisation’s performance management system.  You may include details of any KPIs that are used to assess performance and how these relate to your organisation’s responsible investment objectives and targets, how performance is assessed against these KPIs, how performance is incorporated into financial reward mechanisms or other incentive schemes, and how development and learning needs are identified and addressed.  KPIs may also relate to responsible investment processes, for example, the development or implementation of a responsible investment policy for a particular asset class, linking responsible investment performance with investment performance, the ESG characteristics of investments, activities to promote responsible investment (e.g., to participate in a particular collaborative initiative) or building capacity and resources (e.g., to provide ESG training to investment analysts). Development and learning needs may relate to building knowledge on specific ESG issues or more general responsible investment activities and approaches.  A development plan that aims to develop your organisation’s responsible investment knowledge and capacity may include formal or informal training. Formal training could include attendance (virtual or in person) at training courses such as those offered by universities, the Sustainable Investment Professional Certification (SIPC) or the Responsible Investment Academy of Australia (RIAA). Informal training could include attendance at conferences or briefings or participation in mentoring schemes. | | |
| **LOGIC** | | | |
| **SG 08** | If you report in [07.1] that individuals within your organisation have oversight/accountability or implementation roles in relation to responsible investment, the parts of indicator [08.1] that relate to these roles will be applicable.  Within this indicator, [08.2] will be applicable if you report that responsible investment is included in the personal development and/or training plan for board member/board of trustees [08.1] | | |
| **ASSESSMENT** | | | |
| **SG 08** | Maximum score: Six ★  This indicator assesses two parts of [08.1] separately.  Firstly, RI in objectives, appraisal and/or rewards for individuals with oversight or implementation responsibilities is assessed and is worth three ★.  Secondly, RI in personal development and/or training plan for individuals with oversight or implementation responsibilities is assessed and is worth three ★. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ‘None of the above’ | 🞈 |  |
| Responsible investment in objectives, appraisal and/or reward for any individuals with oversight OR implementation responsibilities | ★★ | This can be any element or all elements. |
| Responsible investment in objectives, appraisal and/or reward for any individuals with oversight AND implementation responsibilities | ★★★ | This can be any element or all elements. |
|  | **Responsible investment included in personal development and/or training plan** | | |
|  | None of the above | 🞈 |  |
| Up to 33% of individuals with oversight or implementation responsibilities | ★ | The percentage is calculated from how many roles were selected in SG 06.1 with oversight or implementation responsibilities (denominator), and selection in SG 07.1 (numerator) |
| 34% to 65% of individuals with oversight or implementation responsibilities | ★★ | See above |
| 66% to 100% of individuals with oversight or implementation responsibilities | ★★★ | See above |

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| SECTION |
| Promoting responsible investment |

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|  | Indicator status | Purpose | Principle |
| SG 09 | MANDATORY | CORE ASSESSED | PRI 4,5 |

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| SG 09 | INDICATOR | | |
| **SG 09.1** | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year and the role played. | | |
|  | **Collaborative Organisation/ Initiative** | **Your organisation’s role in the initiative during the reporting year (see definitions)** | **Provide a brief commentary on the level of your organisation’s involvement in the initiative** [Optional] |
| 🗹 Principles for Responsible Investment (PRI) | Basic, Moderate, Advanced  [drop down] |  |
| ❑ Asian Corporate Governance Association | [same as above] |  |
| ❑ Australian Council of Superannuation Investors | [same as above] |  |
| ❑ AFIC—La Commission ESG | [same as above] |  |
| ❑ BVCA—Responsible Investment Advisory Board | [same as above] |  |
| ❑ CDP Climate Change | [same as above] |  |
| ❑ CDP Forest | [same as above] |  |
| ❑ CDP Water | [same as above] |  |
| ❑ CFA Institute Centre for Financial Market Integrity | [same as above] |  |
| ❑ Code for Responsible Investment in SA (CRISA) | [same as above] |  |
| ❑ Code for Responsible Finance in the 21st Century | [same as above] |  |
| ❑ Council of Institutional Investors (CII) | [same as above] |  |
| ❑ Eumedion | [same as above] |  |
| ❑ Extractive Industries Transparency Initiative (EITI) | [same as above] |  |
| ❑ ESG Research Australia | [same as above] |  |
| ❑ EVCA—Responsible Investment Roundtable | [same as above] |  |
| ❑ Global Investors Governance Network (GIGN) | [same as above] |  |
| ❑ Global Impact Investing Network (GIIN) | [same as above] |  |
| ❑ Global Real Estate Sustainability Benchmark (GRESB) | [same as above] |  |
| ❑ Green Bond Principles | [same as above] |  |
| ❑ Institutional Investors Group on Climate Change (IIGCC) | [same as above] |  |
| ❑ Interfaith Center on Corporate Responsibility (ICCR) | [same as above] |  |
|  | ❑ International Corporate Governance Network (ICGN) | [same as above] |  |
| ❑ Investor Group on Climate Change, Australia/New Zealand (IGCC) | [same as above] |  |
| ❑ International Integrated Reporting Council (IIRC) | [same as above] |  |
| ❑ Investor Network on Climate Risk (INCR)/CERES | [same as above] |  |
| ❑ Local Authority Pension Fund Forum | [same as above] |  |
| ❑ Principles for Sustainable Insurance | [same as above] |  |
| ❑ Regional or National Social Investment Forums (e.g., UKSIF, Eurosif, ASRIA, RIAA, US SIF); specify\_\_\_\_\_\_\_\_\_\_\_\_ | [same as above] |  |
| ❑ Responsible Finance Principles in Inclusive Finance | [same as above] |  |
| ❑ Shareholder Association for Research and Education (Share) | [same as above] |  |
| ❑ United Nations Environment Programme Finance Initiative (UNEP FI) | [same as above] |  |
| ❑ United Nations Global Compact | [same as above] |  |
| ❑ Other collaborative organisation/ initiative; specify\_\_\_\_\_\_\_ | [same as above] |  |

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| SG 09 | **EXPLANATORY NOTES** | | |
| **SG 09** | The option ‘Principles for Responsible Investment’ has been prefilled for all signatories.  You can also add organisations or initiatives that are not listed.  Please do not list here initiatives and collaborations that have the sole role of supporting your organisation in collaborative engagements with specific companies. Information on these should be supplied in the engagement section of each asset class module.  Please note that you should NOT report on any collaborative organisations and/or initiatives of which your service provider(s) is a member or in which it participated during the reporting year.  You may report on any further initiatives and actions taken to promote responsible investment in the subsequent indicator, SG 10. | | |
| **ASSESSMENT** | | | |
| **SG 09** | Maximum score: Three ★  This indicator assesses signatories’ involvement in collaborative organisations or initiatives that promote responsible investment. A higher level of involvement will receive higher credit than being involved in many organisations/initiatives. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ‘No’ or ‘Basic’ role in PRI only | 🞈 |  |
|  | Basic role in any initiative | ★ | In addition to PRI |
|  | Moderate role in any initiative | ★★ |  |
|  | Advanced role in any initiative | ★★★ |  |

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| SG 09 | **DEFINITIONS** |
| Basic role | Select this category if at least one of these activities applies to your organisation:   * joined or signed up to an initiative; * attended conferences as a participant; and/or * attended one or two meetings arranged by the initiative to be informed of its progress. |
| Moderate role | Select this category if at least one of these activities applies to your organisation:   * acted ad-hoc as a public spokesperson for the initiative; * participated to some degree in advancing the initiative by preparing position papers and joint statements; and/or * contributed to the organisation or content of events organised by the initiative |
| Advanced role | Select this category if at least one of these activities applies to your organisation:   * played a leading role in the initiative by preparing position papers and joint statements; * regularly acted as a public spokesperson for the initiative and actively promoted it; and/or * provided significant operational, content development and/or financial support to the initiative beyond basic membership requirements. |

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|  | Indicator status | Purpose | Principle |
| SG 10 | MANDATORY | CORE ASSESSED | PRI 4 |

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| SG10 | INDICATOR | |
| **SG 10.1** | Indicate if your organisation promotes responsible investment independently of collaborative initiatives. | |
|  | 🔾 Yes | 🔾 No |
| **SG 10.2** | Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives. | |
|  | ❑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations  ❑ Provided financial support for academic or industry research on responsible investment  ❑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry  ❑ Spoke publicly at events and conferences to promote responsible investment  ❑ Wrote and published in-house research papers on responsible investment  ❑ Encouraged the adoption of the PRI  ❑ Wrote and published articles on responsible investment in the media  ❑ Other, specify\_\_\_\_\_\_\_\_\_ | |
| **SG 10.3** | Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment | |
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| SG 10 | **EXPLANATORY NOTES** | | |
| **SG 10.3** | Indicate which events you spoke at, describe the education and to whom it was provided, provide information on the research funded and published, explain how you encouraged better disclosure, etc.  The information that you provide here may also include additional actions and initiatives that your organisation has taken part in during the reporting year that are not listed in SG 10.2. These may include working groups and other collaborative initiatives. You may also describe in more detail the topics you addressed, e.g. accounting for climate change in investment or other ESG themes such as equality and diversity, tax transparency and human rights. You may also specify whether you typically promote specific E, S and/or G issues.  You may wish to provide an URL/website link for an overview of your various actions and initiatives that your organisation has taken part in.  You should not report on any actions and initiatives that service providers perform for you, unless it is a single initiative that the service provider does specifically for you. | | |
| **LOGIC** | | | |
| **SG 10** | [109.2] will be applicable if ‘Yes’ is reported in [10.1] | | |
| **ASSESSMENT** | | | |
| **SG 10** | Maximum score: Three ★  This indicator assesses whether RI has been promoted independently of collaborative initiatives [10.1] and what actions were taken [10.2]. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ‘No’ | 🞈 |  |
|  | ‘Yes’ and two actions or fewer | ★★ |  |
|  | ‘Yes’ and more than two actions | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SG 11 | VOLUNTARY | ADDITIONAL ASSESSED | 4,5,6 |

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| SG 11 | INDICATOR | | |
| **SG 11.1** | Indicate whether your organisation—individually or in collaboration with others—conducted dialogue with public policy-makers or regulators to support responsible investment in the reporting year. | | |
|  | ❑ Yes, individually  ❑ Yes, in collaboration with others  ❑ No, please explain why not\_\_\_\_\_ | | |
| **SG 11.2** | Select the methods you have used. | | |
| ❑ Endorsed written submissions to governments, regulators or public policy-makers developed by others  ❑ Drafted your own written submissions to governments, regulators or public policy-makers  ❑ Participated in face-to-face meetings with government members or officials to discuss policy  ❑ Other; specify\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| **SG 11.3** | If you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available. | | |
|  | **Publicly available** | | **URL(s)** |
|  | 🔾 Yes | 🔾 No |  |
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| **SG 11.4** | Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on. | | |
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| SG 11 | **EXPLANATORY NOTES** | | |
| **SG 11** | These activities could include direct dialogue with government agencies, regulatory authorities and standard-setters on policy issues, supporting other actors in their public policy dialogue activities, providing information on specific ESG issues (e.g., climate change, water or executive remuneration), explaining your views on public policy issues (e.g., mandatory company sustainability reporting) or providing information on responsible investment more generally. | | |
| **SG 11.2** | If you have provided feedback to public consultations conducted by governments, regulators or standard-setters, select ‘Drafted your own written submissions to governments, regulators or standard-setters’. | | |
| **SG 11.4** | You can indicate the topics of your dialogues here. These may be topics on climate change, energy, sustainability, greenhouse gas emissions and footprints as well as other social and governance factors. If you do not engage in public policy dialogue (e.g., if you are not permitted to do so because of regulatory constraints or you do not consider such engagement a prudent use of your resources), you can explain this here. | | |
| **LOGIC** | | | |
| **SG 11** | [11.2] and [11.3] will be applicable if you report ‘Yes, individually’ or ‘Yes, in collaboration with others’ in [11.1]. In [11.3], the URL column will only be applicable if you report that your written submissions are publicly available. | | |
| **ASSESSMENT** | | | |
| **SG 11** | Maximum score: Three ★  This indicator assesses whether signatories have conducted dialogue with public policy-makers or standard-setters to support responsible investment. Whether this was conducted individually or through collaboration with others does not influence the scoring. | | |
|  | **Indicator scoring methodology** | | |
|  |  | **Level score** | **Further Details** |
|  | ‘No’ | 🞈 |  |
|  | ‘Yes’ | ★★★ | To get three ★ signatories must also respond to at least one part of 10.2, 10.3 or 10.4 |

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| SECTION |
| ESG issues in asset allocation |

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|  | Indicator status | Purpose | Principle |
| SG 12 | MANDATORY | DESCRIPTIVE | PRI 1 |

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| SG 12 | INDICATOR |
| **SG 12.1** | Indicate whether your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated |
| * We execute scenario analysis which includes factors representing the investment impacts of future environmental trends * We execute scenario analysis which includes factors representing the investment impacts of future social trends * We execute scenario analysis which includes factors representing the investment impacts of future governance trends * We execute other scenario analysis, specify * We do not execute such scenario analysis and/or modelling |
| **SG 12.2** | Indicate whether your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets. |
|  | 🔾 We do the following:   * Allocation between asset classes * Determining fixed income duration * Allocation of assets between geographic markets * Sector weightings * Other; specify \_\_\_\_   🔾 We do not execute such scenario analysis and/or modelling |
| **SG 12.3** | Additional information.  [OPTIONAL] |
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| SG 12 | **EXPLANATORY NOTES** |
| **SG 12.1** | Scenario analysis that includes factors representing the investment impacts of future trends including their risk profile at portfolio level, for example, resource scarcity, technology developments. |
| **SG 12.2** | Strategic Asset Allocation covers investment allocation to high level asset classes according to their differing return and risk profiles to match the investor’s risk tolerance, time horizon and investment objectives/beliefs. This may include choosing an appropriate equity/fixed income/cash split, developed/emerging market split, duration of fixed income and listed/unlisted split.  Some signatories are starting to assess the implications of issues such as water scarcity for their asset allocation (e.g., on the basis of economic scenario planning). Some may also consider corporate governance practices, the robustness of a country’s regulatory frameworks, or a country’s approach to managing environmental and social challenges when making geographical allocations. These approaches are still relatively uncommon, particularly as far as environmental and social issues are concerned. This indicator nonetheless allows signatories that are working in this area to explain their activities.  This is distinct from general ESG integration into individual investment decisions, which is covered in detail in the asset class specific modules of the Reporting Framework. As an example, ESG influenced decisions about whether to invest in listed equities or alternative asset classes can be reported in this indicator. Screening individual stocks based on ESG criteria should be reported in the Listed Equity—Integration module. |
| **SG 12.3** | You can describe how your organisation considers ESG issues in strategic asset allocation, for example avoiding investment in certain fossil fuel heavy assets or investments in low carbon assets. |
| **LOGIC** | |
| **SG 12** | [12.2] will be applicable if any of the ‘Yes’ options are reported in [12.1] |

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| SG 13 | Indicator status  MANDATORY TO REPORT,  VOLUNTARY TO DISCLOSE | Purpose  ADDITIONALLY ASSESSED | Principle  PRI 1 |

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| SG 13 | INDICATOR |
| **SG 13.1** | Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on. |
|  | * Changing demographics * Climate change * Resource scarcity * Technology developments * Other, specify (1)\_\_\_\_ * Other, specify (2) \_\_\_\_ * None of the above, please explain why not\_\_\_\_\_ |
| **SG 13.2** | Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity |
|  | * Established a climate change sensitive or climate change integrated asset allocation strategy * Targeted low carbon or climate resilient investments * Reduced portfolio exposure to emissions intensive or fossil fuel holdings * Used emissions data or analysis to inform investment decision making * Sought climate change integration by companies * Sought climate supportive policy from governments * Other, specify \_\_\_\_ * None of the above, please explain why not\_\_\_\_\_ |
| **SG 13.3** | Indicate which of the following tools you use to manage emissions risks and opportunities |
|  | * Carbon footprinting * Scenario testing * Disclosure on emissions risk to clients/trustees/management/beneficiaries * Target setting for emissions risk reduction * Encourage internal and/or external portfolio managers to monitor emissions risk * Emissions risk monitoring and reporting are formalised into contracts when appointing managers * Other, specify \_\_\_\_ * None of the above, please explain why not\_\_\_\_\_ |
| **SG 13.4** | If you selected disclosure on emissions risks, please list any specific climate related disclosure tools or frameworks that you used. |
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| **SG 13.5** | Additional information.  [OPTIONAL] |
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| SG 13 | **EXPLANATORY NOTES** | | |
| **SG 13.1** | This indicator gives you the opportunity to report on long term ESG trends that your organisation is considering as part of your overall approach to responsible investment. The list of trends is not exhaustive and it is expected that Signatories will provide examples of additional trends that are not currently captured. PRI will continue to monitor and update the list in future years.  The terms used are broad and may impact investment processes in a number of different ways. In the “additional information” field, we encourage signatories to provide additional detail on how these trends will impact their investment approach. | | |
| **SG 13.2** | Climate change presents both risks and opportunities. This indicator covers how climate change impacts your investment decision making, active ownership practices and if relevant, engagement with fund managers, as well as engagement with governments to encourage a climate-supportive policy environment for investors. | | |
| **SG 13.3** | Activities to measure and reduce your organisation’s own carbon footprint should not be captured here, unless they are undertaken for buildings that you occupy and report on as part of a directly managed property portfolio. | | |
| **LOGIC** | | | |
| **SG 13** | [13.2], [13.3] and [13.4] will be applicable if ‘Climate change’ is reported in [13.1] | | |
| **ASSESSMENT** | | | |
| **SG 13** | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | SG 13.1 does not have “Climate Change” selected OR  SG 13.2 and SG 13.3 both have “None of the above” selected | 🞈 |  |
|  | One option from either SG 13.2 OR SG 13.3 selected | ★★ |  |
|  | One option from both SG 13.2 and SG 13.3 selected | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SG 14 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | DESCRIPTIVE | PRI 1 |

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| SG 14 | INDICATOR | | | | |
| **SG 14.1** | Indicate whether your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas. | | | | |
|  | 🔾 Yes | | | 🔾 No | |
| SG 14.2 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description. | | | | |
|  | **Area** | **Asset class invested**  **[drop down of asset classes]** | **Percentage of your AUM in the asset class invested in the area** | | **Brief description and measures of investment** |
| * Clean technology (including renewable energy) |  | % of AUM | |  |
| * Green buildings |  | % of AUM | |  |
| * Sustainable forestry |  | % of AUM | |  |
| * Sustainable agriculture |  | % of AUM | |  |
| * Microfinance |  | % of AUM | |  |
| * SME financing |  | % of AUM | |  |
| * Social enterprise/community investing |  | % of AUM | |  |
| * Affordable housing |  | % of AUM | |  |
| * Education |  | % of AUM | |  |
| * Global health |  | % of AUM | |  |
| * Water |  | % of AUM | |  |
| * Other; specify\_\_\_\_\_\_\_\_\_ |  | % of AUM | |  |

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| SG 14 | **EXPLANATORY NOTES** |
| **SG 14** | For the purpose of this reporting framework, the terms 'E&S themed' and 'sustainability themed' investments are used interchangeably. These are investments in themes or assets specifically related to E or S sustainability (for example, clean energy, green technology or sustainable agriculture). These investments typically offer investors one way to explicitly align their activities with the broader objectives of society.  This indicator refers to investment themes that may include more than one asset class. These investments are specifically focused on certain themes. This indicator is not about broad-based SRI funds, which may be described in other parts of this reporting framework. Further details on environmental and social themed investments can be found [here](http://www.unpri.org/areas-of-work/implementation-support/environmental-and-social-themed/). |
| **SG 14.2** | Asset classes reported in OO 05, either internally and/or externally managed, will be visible in the drop-down menu.  Provide percentage of AUM per area in each specific asset class.  In brief description and measures of the investment please provide description of how you classify the area, and what measures you use to identify the area. |
| **LOGIC** | |
| **SG 14** | [14.2] and [14.3] will be applicable if ‘Yes’ is reported in [14.1] |

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| SG 14 | **DEFINITIONS** |
| Clean technology (including renewable energy) | Investments in companies that offer products, services or processes aimed at reducing or eliminating the consumption of natural resources and achieving higher energy efficiency with lower cost. Cleantech is present in the energy, agriculture, transport, manufacture, air and water quality sectors. Cleantech companies work in some of the following industries: renewable energy, energy efficiency, waste management and materials recycling. |
| Green buildings | Green buildings are those designed, constructed, operated, maintained, renovated and destroyed using environmentally friendly and resource-efficient processes. |
| Sustainable forestry | Investment strategies that focus on sustainable forestry investments that enshrine the protection of local economic, social and natural interests. The sustainable management of the forests may be certified by bodies like the Forestry Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). |
| Sustainable agriculture | The production of safe agricultural products that are produced in ways that protect and improve the natural environment and the socio-economic conditions of local communities. |
| Microfinance | Investments in retail institutions that provide financial services such as loans, savings, insurance and other basic services to low-income clients who run productive activities and who traditionally have lacked access to banking and related financial services. |
| SME financing | SME financing refers to providing financial services to small- and medium-sized enterprises that may struggle to access to banking and related financial services. |
| Social enterprise/community investing | Social enterprise development is defined as creating and nurturing businesses that aim for positive social or environmental outcomes while generating financial returns.  Community development investments are similarly designed to specifically benefit lower-income neighbourhoods and populations, for example, by providing access to affordable housing, supporting small businesses, and, by extension, job creation. |
| Affordable housing | Affordable housing has different definitions depending on the country but can be broadly categorised as that which is affordable to the average household. It covers a spectrum from emergency shelters to non-market rental (also known as social or subsidised housing), formal and informal rental and, finally, affordable home ownership. |
| Education | Investments in education include investments in schools, social enterprises and any other industries related to the advancement of education. |
| Global health | Investment strategies that focus on the health-care market and health systems, e.g., pharmaceuticals, biotechnology, health-care services and medical technology/suppliers with the objective to decrease the global burden of diseases, including non-communicable diseases (cancer, diabetes and cardiovascular diseases) and/or communicable diseases (e.g., HIV/AIDS, tuberculosis and malaria) in developed, emerging and developing countries. This may also include investments that improve global access to health-care services and/or with products/services with potential and interest to improve global health. |

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| SECTION |
| Asset class implementation not reported in other modules |
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|  | Indicator status | Purpose | Principle |
| SG 15 | MANDATORY | DESCRIPTIVE | GENERAL |

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| SG 15 | INDICATOR | |
| **SG 15.1** | Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold. | |
|  | **Asset Class** | **Describe what processes are in place and the outputs or outcomes achieved** |
| Listed equities—ESG incorporation |  |
| Listed equities—engagement |  |
| Listed equities—(proxy) voting |  |
| Fixed income—SSA |  |
| Fixed income—Corporate (financial) |  |
| Fixed income—Corporate (non-financial) |  |
| Fixed income—Securitised |  |
| Private equity |  |
| Property |  |
| Infrastructure |  |
| Commodities |  |
| Hedge funds |  |
| Forestry |  |
| Farmland |  |
| Inclusive finance |  |
| Cash |  |
| Other (1) [from OO 05] |  |
| Other (2) [from OO 05] |  |

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| SG 15 | **EXPLANATORY NOTES** |
| **SG 15** | This indicator allows you to describe how you implement RI in asset classes for which the PRI has not developed a specific module. By reporting this information, you can inform stakeholders about how you advancing in these areas. Moreover, you support the PRI in identifying RI practices to be captured by potential future modules.  This indicator also gives you an opportunity to report on asset classes covered by a PRI module but for which you choose not to report on because you fall under the required threshold. For example, you may have limited resources to systematically track your RI implementation on a minor amount of private equity in your portfolio, but you may still want to describe here your main RI activities in this asset class. |
| **LOGIC** | |
| **SG 15** | This indicator is applicable if you reported that your organisation has internally managed assets [OO 05] and that you incorporate ESG issues into investment decisions and/or active ownership practices for internally managed assets ([OO 10] for listed equity or [OO 11] for other asset classes) for asset classes in which:   * less than 10% of your AUM are in that asset class, and/or you have opted not to complete that asset class module voluntarily [OO 12], or * PRI has not yet developed a direct module for that asset class.   The applicable asset classes in this indicator will be prepopulated based on [OO 05], [OO 11-12]. |

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|  | Indicator status | Purpose | Principle |
| SG 16 | MANDATORY | DESCRIPTIVE | GENERAL |

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| SG16 | INDICATOR | |
| **SG 16.1** | Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold. | |
|  | **Asset Class** | **Describe what processes are in place and the outputs or outcomes achieved** |
| Listed equities—ESG incorporation |  |
| Listed equities—engagement |  |
| Listed equities—(proxy) voting |  |
| Fixed income—SSA |  |
| Fixed income—Corporate (financial) |  |
| Fixed income Corporate (non-financial) |  |
| Fixed income—Securitised |  |
| Private equity |  |
| Property |  |
| Infrastructure |  |
| Commodities |  |
| Hedge funds |  |
| Forestry |  |
| Farmland |  |
| Inclusive finance |  |
| Cash |  |
| Other (1) [from OO 05] |  |
| Other (2) [from OO 05] |  |

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| SG 16 | **EXPLANATORY NOTES** |
| **SG 16** | This indicator gives you an opportunity to report on how you incorporate ESG issues in the selection and monitoring of your external managers in asset classes that are covered by the PRI module indirect investments but for which you choose not to report on there. |

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| **LOGIC** | |
| **SG 16** | This indicator is applicable if you reported that your organisation has externally managed assets [OO 05] and that you incorporate ESG issues into investment decisions and/or active ownership practices for externally managed assets ([OO 11] for listed equity or [OO 12] for other asset classes) for asset classes in which:   * less than 10% of your AUM are in that asset class and/or you have opted not to complete that asset class voluntarily [OO 13]; and/or * specific PRI asset class module has yet to be developed.   The applicable asset classes in this indicator will be prepopulated based on [OO 05] and/or [OO 11-13]. |

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| SECTION |
| Innovation |

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|  | Indicator status | Purpose | Principle |
| SG 17 | VOLUNTARY | DESCRIPTIVE | GENERAL |

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| SG 17 | INDICATOR | |
| **SG 17.1** | Indicate whether any specific features of your approach to responsible investment are particularly innovative. | |
| 🔾 Yes | 🔾 No |
| **SG 17.2** | Describe any specific features of your approach to responsible investment that you believe are particularly innovative. | |
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| SG 17 | **EXPLANATORY NOTES** |
| **SG 17** | The response to this indicator could relate to any aspects of your responsible investment processes, activities, outputs or outcomes that you consider to represent significant developments and progress in the practice of responsible investment in general or in a particular market or asset class. Illustrative examples include:   * the introduction of longer holding periods (or portfolio turnover limits) to encourage longer-term thinking; * new ways of delivering information or reports to clients; * the development of innovative KPIs or performance measurement tools (e.g., to track the carbon intensity or other ESG characteristics of portfolios or to link these to financial performance); * the use of new engagement approaches that deliver better ESG or financial outcomes; and/or * new partnerships or collaborations. |

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| CM 01 | **ASSESSMENT** | | |
| **CM 01** | The response to indicator CM 01 in the Closing Module is assessed as part of your score for the Strategy and Governance module.  Please refer to the separate document covering the Closing Module for further details on indicator CM 01. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | **“**None of the above” or “Other” selected in CM 01.1 | 🞈 |  |
|  | One option selected from CM 01.1 | ★★ |  |
|  | Two options selected from CM 01.1 | ★★★ |  |