PRI REPORTING FRAMEWORK 2014/15

Direct – Fixed Income

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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 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, allowing 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** | Definitions of specific terms that are used in the indicator are defined here. |

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**FI 15:** How ESG incorporation has influenced portfolio composition

**FI 16:** Incorporation of ESG issues has improved financial/ESG performance and reduced risk

**FI 17:** Examples of ESG issues that affected your investment view / performance

**FI 18:** Disclosure of approach to ESG incorporation

Active strategy reported for Corporate

**FI 04:** Percentage of each incorporation strategy

**FI 05:** Type of ESG information used in investment decision

**FI 06:** Types of screening applied

**FI 07:** Processes to ensure screening is based on robust analysis

**FI 08:** Processes to ensure fund criteria are not breached

**FI 09:** Types of sustainability thematic funds/mandates

**FI 10:** Description of ESG integration

**FI 11:** Review of ESG issues while researching companies/sectors

**FI 12:** Processes to ensure integration is based on robust analysis

Screening strategy

Integration strategy

Thematic strategy

**FI 03:** Description of ESG incorporation

**FI 01:** Breakdown by passive, quantitative, fundamental and other active strategies

**FI 02:** Breakdown of investments by credit quality

**FI 13:** Incorporation of ESG issues into analysis and decision making

**FI 14:** ESG issues in index construction

Passive strategy reported for Government, Corporate or both

Active strategy reported for Government

**FI 19**: Engagement with corporate issuers

**FI 20:** Engagement with government issuers

**FI End:** Module confirmation page

If FI Corporate reported

If FI Government reported

ESG in index construction

ESG not in index construction

ESG not in analysis, decision making

ESG in analysis, decision making

# Preface

The information reported in this module will enable your stakeholders to understand how your organisation incorporates ESG issues in your internally managed fixed income holdings. Note that this module covers both fixed income - corporate and fixed income - government.

*This module is voluntary to complete for all signatories during the 2014/15 reporting cycle while the PRI gathers additional information about approaches to responsible investment in this asset class.*

This module has distinct sections for active and passive investors. The definitions for active and passive can be found below, and are replicated under indicator [FI 01] for convenience.

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| **DEFINITIONS** | |
| **Passive strategies** | Passive investments are investments which mirror the performance of an index and follow a pre-determined buy and hold strategy that does not involve active forecasting. Examples include investments in broad capital market indices, ESG weighted indices, themed indices, passive managed ETFs or indices with ESG-based exclusions. |
| **Active - quantitative (quant) strategies** | Investment strategies or funds where the manager builds computer-based models to determine whether an investment is attractive. In a pure ‘quant model’ the final decision to buy or sell is made by the model. |
| **Active - fundamental** | Fundamental strategies in which investment decisions are based on human judgement. This includes both bottom-up (e.g. stock-picking) and top-down (e.g. sector-based) strategies. |
| **Active - other** | Strategies that do not match any of the above strategies. These may be active strategies that combine active quant and active fundamental strategies, or other strategies that you believe do not fit at all the above definitions. You may clarify your strategy in Additional Information field. |

**Summary of updates**

The Reporting Framework has not changed significantly since 2013-14. Some minor amendments have been made to improve data quality or assessment. The guidance has also been clarified throughout.

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| Indicator | Update |
| FI 05 | The selection option “Issue-specific analysis or ratings” has been amended to “ESG issue-specific analysis or ratings” to clarify that this is different from issuer related analysis. |
| FI 12 | An additional selection option stating “None of the above” has been added to FI 12.2. Indicator FI 12 has changed from ‘descriptive’ to ‘additional assessed’. |
| FI 16 | This indicator is a revised version of indicator [FI 16] from the 2013-14 Reporting Framework. It has been rewritten to improve consistency with other modules. It has been changed from ‘descriptive’ to ‘additional assessed’. |
| FI 18 | [FI 18] (communications) has been restructured. The content of this indicator has not changed, therefore prefilling is enabled. |
| Prefilling | Prefilling is enabled for this module, with the following exceptions:   * FI 04 will not be prefilled, as responses will be specific to the reporting year. * FI 16 will not prefill as the wording has changed. |

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| SECTION |
| Overview |

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|  | Indicator status | Purpose | Principle |
| FI 01 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY/PEERING | PRI 1 |

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| FI 01 | INDICATOR | | |
| **FI 01.1** | Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities. | | |
| **Fixed Income – Corporate** | | |
|  | **Strategies** | **Percentage of internally managed corporate fixed income** | **Report on your strategies that represents <10% of fixed income - corporate** |
| ❑ Passive | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| ❑ Active – quantitative (quant) | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| ❑ Active - fundamental and other active strategies | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| **Total internally managed corporate fixed income** | **100%** |  |
| **Fixed Income – Government** | | |
| **Strategies** | **Percentage of internally managed government fixed income** | **Report on your strategies that represents <10% of fixed income - government** |
| ❑ Passive | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| ❑ Active – quantitative (quant) | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| ❑ Active - fundamental and other active strategies | 🔾 <10%, 🔾 10-50%, 🔾 >50% | ❑ Yes ❑ No |
| **Total internally managed government fixed income** | **100%** |  |
| **FI 01.2** | Additional information.  [Optional] | | |
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| FI 01 | **EXPLANATORY NOTES** |
| **FI 01.1** | Your organisation’s breakdown of passive, active quantitative and active fundamental and other strategies will be used to trigger subsequent indicators in this module. |
| **LOGIC** | |
| **FI 01** | Depending on the information reported in the *Organisational Overview (OO)* module, the *corporate* and/or the *government* parts of this indicator will be applicable.  Strategies representing ≥10% of your fixed income investments will be mandatory to report on in latter parts of this module. You can decide whether to report on strategies representing <10% of your fixed income investments within this indicator.  This is a gateway indicator, so your organisation’s breakdown of passive, active quantitative and active fundamental and other strategies will be used to trigger subsequent indicators. Specifically;   * If you report a passive strategy for fixed income – corporate or government, indicator [14] will be applicable. * If you report an active strategy for fixed income – government, indicator [13] will be applicable. * If you report an active strategy for fixed income – corporate indicators [04] and [05] will also be applicable. |
| **ASSESSMENT** | |
| **FI 01** | If you only select ‘Passive – You will not be assessed in the Direct – Fixed Income (FI) module due to the low number of assessed indicators that you will complete in the ‘ESG incorporation in passively managed fixed income investments’ section.  If you select ‘Active – quant’ and/or ‘Active – fundamental and other’ OR All three strategies – You will be assessed on your responses to the ‘Implementation Process’, ‘Implementation: Screening/ integration’, ‘Outputs and outputs’ and ‘Communication’ sections. |

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| FI 01 | **DEFINITIONS** |
| *Actively and passively managed strategies* | |
| **Passive strategies** | Passive investments are investments which mirror the performance of an index and follow a pre-determined buy and hold strategy that does not involve active forecasting. Examples include investments in broad capital market indices, ESG weighted indices, themed indices, passive managed ETFs or indices with ESG-based exclusions. |
| **Active - quantitative (quant) strategies** | Investment strategies or funds where the manager builds computer-based models to determine whether an investment is attractive. In a pure ‘quant model’ the final decision to buy or sell is made by the model. |
| **Active - fundamental** | Fundamental strategies in which investment decisions are based on human judgement. This includes both bottom-up (e.g. stock-picking) and top-down (e.g. sector-based) strategies. |
| **Active - other** | Strategies that do not match any of the above strategies. These may be active strategies that combine active quant and active fundamental strategies, or other strategies that you believe do not fit at all the above definitions. You may clarify your strategy in Additional Information field. |

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|  | Indicator status | Purpose | Principle |
| FI 02 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | PEERING | GENERAL |

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| FI 02 | INDICATOR | | |
| **FI 02.1** | Provide a breakdown of your internally managed fixed income investments by credit quality. | | |
|  |  | **Fixed Income – Corporate** | **Fixed Income – Government** |
| Investment grade | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% |
| High yield | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% |
| Distressed | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% |
| **Total internally managed** | **100%** | **100%** |
| **FI 02.2** | Provide a breakdown of your fixed income investments between primary and secondary market. | | |
|  | **Fixed Income – Corporate** | **Fixed Income – Government** |
| Primary market (new issues) | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% |
| Secondary market | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% | 🔾 0%  🔾 <10%  🔾 10-50%  🔾 >50% |
| **Total internally managed** | **100%** | **100%** |
| **FI 02.3** | Additional information.  [Optional] | | |
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| FI 02 | **EXPLANATORY NOTES** |
| FI 02 | If you are unable to access information on primary/secondary market breakdown, please report 10-50% for both primary and secondary market and explain your approach in ‘further information’. |
| **LOGIC** | |
| **FI 02** | Depending on the information reported in the *Organisational Overview (OO)* module, the *corporate* and/or the *government* parts of this indicator will be applicable. |

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| FI 02 | **DEFINITIONS** |
| ***FI investments by credit quality*** | |
| **Investment grade** | Investment grade issue or issuer ratings are all ratings above BBB- or BAA- included. |
| **High yield** | Bonds which are issued by organisations that do not qualify for “investment-grade” ratings by one of the leading credit rating agencies. Also known as speculative grade. |
| **Distressed** | An asset that is put on sale, usually at a cheap price, because its owner is forced to sell it. There could be various reasons for this, including bankruptcy, excessive debt and regulatory constraints. Debt itself can be sold on to a new owner at below face value (distressed debt). |
| ***FI investments by where sourced*** | |
| **Primary market (new issues)** | The primary market is direct from the company issuing the bond to the buyer. |
| **Secondary market** | The secondary market is after the initial public offering where people buy and sell on the stock exchange, or over the counter market or others. |

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| SECTION |
| ESG incorporation in actively managed fixed income |

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|  | Indicator status | Purpose | Principle |
| FI 03 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| FI 03 | INDICATOR |
| **FI 03.1** | Provide a brief overview of how you incorporate ESG issues in fixed income investments. |
|  | **Fixed Income – Corporate** | **Fixed Income – Government** |
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| **Fixed Income – Government** | **Fixed Income – Government** |
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| FI 03 | **EXPLANATORY NOTES** |
| **FI 03** | The indicator allows you to provide a broad overview of how your organisation takes into account ESG issues in fixed income investment. Please describe the activities, strategies and processes used. Subsequent indicators allow you to provide specific information about the coverage of these strategies and how they are implemented.  This indicator may include a discussion of:   * The main ESG strategies that you use, including the reasons for their use, * Who is mainly responsible for the implementation of these strategies, * How your ESG strategies differ (e.g. in different geographies or sectors). |
| **LOGIC** | |
| **FI 03** | This indicator will be applicable if active strategies are reported in relation to fixed income – government and/or fixed income – corporate investments at [01.1]. |

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| SECTION |
| Fixed income – Corporate |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **IMPLEMENTATION PROCESSES** |

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|  | Indicator status | Purpose | Principle |
| FI 04 | MANDATORY | GATEWAY/CORE ASSESSED | PRI 1 |

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| FI 04 | **INDICATOR** | |
| **FI 04.1** | Indicate   * which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and * the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies. | |
|  | **ESG incorporation strategy**  (select all that apply) | **Percentage of active corporate fixed income to which each strategy or combination of strategies is applied**  **(estimate +/- 10%)** |
| ❑ Screening alone (i.e. not combined with any other strategies) | % |
| ❑ Thematic alone (i.e. not combined with any other strategies) | % |
| ❑ Integration alone (i.e. not combined with any other strategies) | % |
| ❑ Screening + integration strategies | % |
| ❑ Thematic + integration strategies | % |
| ❑ Screening + thematic strategies | % |
| ❑ All three strategies combined | % |
| ❑ No incorporation strategies applied | % |
| **Total actively managed fixed income - corporate** | **100%** |
| **FI 04.2** | Describe your primary reasons for choosing a particular incorporation strategy. | |
|  | |
| **FI 04.3** | If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination.  [Optional] | |
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| **FI 04.4** | Additional information.  [Optional] | |
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| FI 04 | **EXPLANATORY NOTES** |
| **FI 04** | Under Principle 1, you undertake to incorporate ESG issues into the investment analysis and decision-making processes. See the definitions below this indicator for details on the three strategies described here. The purpose of this indicator is to allow you to demonstrate the proportions of your fixed income corporate investments that are covered by different approaches to implementing this Principle. There are many different ways in which this can be done. The options provided are intended to allow you to reflect your particular approach as faithfully as possible, but may not perfectly represent your strategy. This indicator will also determine whether you see more detailed indicators on the individual strategies. Therefore please select the strategy that most closely matches your approach.  If you apply two strategies to the same assets, please select the relevant combination options. For example, you may apply screening only for 5% of your assets and for others you may apply a combination of screening and integration. In these cases you would report ‘Screening alone’ for 5%, and ‘Screening + Integration strategies’ for the remaining 95%.  You will have to categorise all your assets to one or more of these options so the total adds up to 100%.  If you do not apply any approach to incorporation and the option ‘No incorporation strategies applied’ accounts for 100% of your corporate fixed income investments, you will not need to report further in the actively managed fixed income corporate section of this module. |
| **FI 04.2** | This may include a discussion of:   * Due to choice(s) made by your organisation, * Due to financial and/or ESG implications, * To meet client demand. |
| **LOGIC** | |
| **FI 04** | This indicator is applicable if you reported ‘active – quantitative’ and/or ‘active - fundamental and other active strategies’ for corporate fixed income in [01].  This is a gateway indicator, so this determines which parts of the implementation section are applicable to you;   * If you select any ESG incorporation strategy, indicators [05] and [15]-[18] will be applicable. * If you select ‘Screening’, either alone or in combination with other strategies, the ‘Implementation: Screening’ section [06-08] will be applicable. * If you select ‘Thematic’, either alone or in combination with other strategies, the ‘Implementation: Sustainability themed investing’ section [09] will be applicable. * If you select ‘Integration’, either alone or in combination with other strategies, the ‘Implementation: Integration of ESG issues’ section [10-12] will be applicable. |
| **ASSESSMENT** | |
| **FI 04** | Maximum score: Three ★  Based on your response in [04.1] you will be assessed on the total coverage of all incorporation strategies combined.  Aggregated FIC score:  Your aggregated FIC score will be based on your ‘primary’ incorporation strategy. This will be based on the percentage that each incorporation strategy is applied in [04.1]. You can achieve the top level with any of the three strategies (screening, thematic or integration) or any combination. You will also receive a separate score for each incorporation strategy you employ in your assessment report and all relevant assessed indicators will be included in your module scorecard. |

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| FI 04 | | **DEFINITIONS** |
| Incorporation of ESG issues into investment analysis and decision-making processes is covered in Principle 1 of the PRI.  Throughout the Reporting Framework, we refer to ESG incorporation *as the review and use of ESG information in the investment decision-making process*. The Reporting Framework addresses four ways in which this can be done:   * **Screening** * Sustainability **themed** investment (also referred to as environmentally and socially themed investment) * **Integration** of ESG issues * A combination of the above   Assets subject to an engagement approach only and not subject to any of the above strategies should not be included in ESG incorporation.  To improve standardisation and communication in the responsible investment industry, the PRI has aligned its definitions with those of the [Global Sustainable Investment Alliance](http://www.gsi-alliance.org/). These are presented below for convenience. | | |
| **Screening** of investments | This involves three types of screening:  a. Negative/exclusionary screening: The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria;  b. Positive/best-in-class screening: Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers;  c. Norms-based screening: Screening of investments against minimum standards of business practice based on international norms. | |
| Sustainability **themed** investment | Investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture). | |
| **Integration** of ESG issues | The systematic and explicit inclusion by investment managers of environmental, social and governance factors into traditional financial analysis. | |
| For further detail on these definitions, please see separate [Main Definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document. | | |

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|  | Indicator status | Purpose | Principle |
| FI 05 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1 |

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| FI 05 | INDICATOR | |
| **FI 05.1** | Indicate what ESG information you use in your ESG incorporation strategies and who provides this information. | |
|  | **Type of ESG information** | **Describe who provides this information** |
| ❑ Raw ESG company data |  |
| ❑ Issuer-related analysis or ratings |  |
| ❑ Sector-related analysis or ratings |  |
| ❑ Country-related analysis or ratings |  |
| ❑ Screened bond list |  |
|  | ❑ ESG issue-specific analysis or ratings |  |
| ❑ Other, specify\_\_\_\_\_\_\_\_\_\_ |  |
| **FI 05.2** | Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies. | |
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| **FI 05.3** | Additional information. | |
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| FI 05 | **EXPLANATORY NOTES** |
| **FI 05.1** | The purpose of this indicator is to allow you to report on what type of ESG information contributes to your investment decisions. It also gives you the opportunity to highlight the sources of this information. For example, some investors may use ESG data obtained from specialist research providers directly. Others may conduct their own in-house research (via specialised ESG teams or analysts and portfolio managers) to supplement research purchased from third parties, and use this amended research in their investment process. Others may be doing both. Note that you will be able to describe the quality of this research and how it is used in your investment process in later indicators within this module.  *Different possible sources*  **Raw ESG company data:** data on issuers’ ESG performance as they publish it that has not been analysed or aggregated.  **Company-related ESG analysis or ratings:** analysis or aggregation of issuers’ ESG performance, risks or opportunities related to a particular bond issuer, which may be represented as a rating, denoted by a letter or percentage for example.  **Sector-related ESG analysis or ratings:** analysis or aggregation of ESG performance, risks or opportunities related to a particular industry sector, such as the food and beverage sector.  **Country-related ESG analysis or ratings:** analysis or aggregation of ESG laws, policies, norms, performance, risks or opportunities related to individual countries.  **Screened bond list:** a list of bonds that constitutes the acceptable universe from which to construct a screened portfolio.  **ESG factor-specific ESG analysis or ratings:** may be analysis of a single factor (e.g. human rights) or a trend or theme, such as climate change. |
| **FI 05.2** | Describe here the sources of ESG information split by strategies. Also indicate if you typically use third party ESG information as is in your investment process or if you typically conduct further in-house research to supplement the research provided by third parties. |
| **FI 05.3** | In this section you might also wish to describe what action you take to stimulate research. For example, you could describe if:   * You identify ESG issues and suggest them research providers, * You have a budget to pay for research on ESG issues. |
| **LOGIC** | |
| **FI 05** | This indicator will be applicable if you reported an ESG incorporation strategy in relation to your fixed income – corporate investments in [04.1]. |
| **ASSESSMENT** | |
| **FI 05** | Maximum score: Three ★  The assessment of this indicator is based on the types of ESG information used in the investment decision process reported in [05.1]. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **IMPLEMENTATION PROCESSES** | Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_MB_short.png | *A) Implementation: Screening* |

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|  | Indicator status | Purpose | Principle |
| FI 06 | MANDATORY | DESCRIPTIVE | PRI 1 |

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| FI 06.1 | INDICATOR | | |
| **FI 06.1** | Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments. | | |
|  | **Type of screening** | **Screened by** | **Description** |
| Negative/exclusionary screening | * Product * Activity * Sector * Country/geographic region * Environmental and social practices and performance * Corporate governance |  |
| Positive/best-in-class screening | * Product * Activity * Sector * Country/geographic region * Environmental and social practices and performance * Corporate governance |  |
| Norms-based screening | * UN Global Compact Principles * Universal Declaration of Human Rights * International Labour Organization Conventions * United Nations Convention Against Corruption * OECD Guidelines for Multinational Enterprises * Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| **FI 06.2** | Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made. | | |
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| **FI 06.3** | Additional information.  [Optional] | | |
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| FI 06 | **EXPLANATORY NOTES** |
| **FI 06.1** | *Description boxes by type of screening*  Describe which ESG screens are used, for which funds (i.e. whether one screen is applied to all funds and/or multiple screens are applied to different funds) and whether they are used in combination with other screens.  *Examples of screening*   * Products – e.g. specified weapons, tobacco * Activities – e.g. specific products within a sector that is not in itself excluded – for example uranium mining * Sectors – e.g. oil and gas, mining * Countries/geographic regions * Environmental and social practices and performance – e.g. child labour, environmental damage, sustainability reporting * Corporate governance – e.g. excessive executive remuneration, non-independent boards |
| **FI 06.2** | Your description of how screening criteria are established could refer to your organisation, your clients/beneficiaries, etc. |
| **LOGIC** | |
| **FI 06** | This indicator will be applicable if you reported that your organisation applies ESG screening in relation to your corporate fixed income investments in [04.1]. |

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| FI 06 | **DEFINITIONS** |
| For definition of this strategy, please see separate [Main Definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document. | |

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|  | Indicator status | Purpose | Principle |
| FI 07 | MANDATORY | CORE ASSESSED | PRI 1 |

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| FI 07 | INDICATOR |
| **FI 07.1** | Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis. |
|  | * Comprehensive research is undertaken or sourced to determine issuers’ ESG performance * Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies * External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar * Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies * A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions * A periodic review of the quality of the research undertaken or provided is carried out * Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * None of the above |
| **FI 07.2** | Additional information.  [Optional] |
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| FI07 | **EXPLANATORY NOTES** |
| LOGIC | |
| FI 07 | This indicator will be applicable if you reported that your organisation applies ESG screening in relation to your corporate fixed income investments in [04.1]. |
| ASSESSMENT | |
| **FI 07** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [07.1]. |

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|  | Indicator status | Purpose | Principle |
| FI 08 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1 |

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| FI 08 | INDICATOR |
| **FI 08.1** | Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments. |
|  | * Checks are performed to ensure that issuers meet the funds’ screening criteria. These checks are:   + Systematic   + Occasional * Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria * Audits of fund holdings are undertaken regularly by internal audit function * Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * None of the above |
| **FI 08.2** | If breaches of fund screening criteria are identified - describe the process followed to correct those breaches. |
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| **FI 08.3** | Additional information. |
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| FI 08 | **EXPLANATORY NOTES** |
| **FI 08.1** | Breaches of fund screening criteria refer to occasions when bonds that should have been excluded are bought.  *Systematic and Occasional*  Systematic processes are a planned, routine part of your processes. This may include sampling or spot-checking which is conducted according to a pre-set plan.  Occasional reviews are typically done in an ad hoc manner. |
| **LOGIC** | |
| FI 08 | This indicator will be applicable if you reported that your organisation applies ESG screening in relation to your corporate fixed income investments in [04.1]. |
| **ASSESSMENT** | |
| **FI 08** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [08.1]. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **IMPLEMENTATION PROCESSES** | Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_MB_short.png | *B) Implementation: Sustainability themed investing* |

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|  | Indicator status | Purpose | Principle |
| FI 09 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| LEI 09 | INDICATOR |
| **FI 09.1** | Indicate the type of sustainability thematic funds or mandates that your organisation manages. |
|  | * Environmentally themed funds * Socially themed funds * Combination of themes |
| **FI 09.2** | Describe your organisation’s processes for sustainability themed funds. |
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| **FI 09.3** | Additional information. |
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| FI 09 | **EXPLANATORY NOTES** |
| **FI 09** | Thematic investing is one of the three approaches to ESG incorporation in fixed income corporate covered by this Reporting Framework. It is one way to demonstrate the implementation of Principle 1.  A voluntary indicator on thematic investing across asset classes is included in the *Overarching Approach (OA)* module. There will therefore be some overlap between this indicator and voluntary indicator OA 14. Please focus here on reporting on your fixed income corporate themes and provide additional information only if not covered in OA.  If integrated ESG analysis is used to select issuers or other investments (i.e. taking into account the ESG and financial performance of individual companies) or ESG screens are used to exclude issuers, this will be captured in other sections of this module and should not be reflected here. |
| **FI 09.1** | This indicator aims to capture the predominant theme of the fund (e.g. a climate change fund (environmental) or healthcare fund (social). If a fund is based on a combination of sustainability factors and trends, with no single dominant theme, select ‘combination of themes’. |
| **FI 09.2** | In this indicator you should describe your organisation’s process. This may include discussion of:   * How these themes are defined. * Whether the application/interpretation of the themes differs by sector or by geographic region. * The other factors you consider in your investment process and how the thematic elements relate to the overall process (e.g. are there minimum requirements that all issuers must meet to be considered for investment). |
| **LOGIC** | |
| **FI 09** | This indicator will be applicable if you reported that your organisation applies thematic strategies in relation to your corporate fixed income investments in [04.1]. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **IMPLEMENTATION PROCESS** | Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_MB_short.png | *C) Implementation: Integration of ESG issues* |

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|  | Indicator status | Purpose | Principle |
| FI 10 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| FI 10 | INDICATOR |
| **FI 10.1** | Describe how you integrate ESG issues into investment decision-making processes. |
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| FI 10 | **EXPLANATORY NOTES** |
| **FI 10.1** | Please describe aspects such as what the motivation is for integration (i.e. if driven by your organisation and/or by requests from your clients), broadly how is it applied, where the ESG information is sourced from, where the information is stored and how it is shared, how investment professionals and RI/ESG staff work together on integration, how long this approach has been used, etc. Finally, you may wish to indicate at what level you integrate ESG issues (e.g. (Macro) economic analysis, industry analysis, analysis of company strategy and quality of management, portfolio construction, fair value/fundamental analysis, etc.) |
| **LOGIC** | |
| **FI 10** | This indicator will be applicable if you reported that your organisation applies an ESG integration strategy in relation to your corporate fixed income investments in [04.1]. |

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|  | Indicator status | Purpose | Principle |
| FI 11 | MANDATORY | CORE ASSESSED | PRI 1 |

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| FI 11 | **INDICATOR** | |
| **FI 11.1** | Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies. | |
|  | **ESG issues** | **Coverage/extent of review on these issues** |
| Environmental | 🔾 We systematically review the potential significance of environmental issues and investigate them accordingly  🔾 We occasionally review the potential significance of environmental issues and investigate them accordingly  🔾 We do not review environmental issues |
| Social | 🔾 We systematically review the potential significance of social issues and investigate them accordingly  🔾 We occasionally review the potential significance of social issues and investigate them accordingly  🔾 We do not review social issues |
| Corporate Governance | 🔾 We systematically review the potential significance of corporate governance issues and investigate them accordingly  🔾 We occasionally review the potential significance of corporate governance issues and investigate them accordingly  🔾 We do not review corporate governance issues |
| **FI 11.2** | Additional information.  [Optional] | |
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| FI 11 | **EXPLANATORY NOTES** |
| **FI 11** | The purpose of this indicator is to allow you to explain whether you research and integrate the potential relevance of all ESG issues in all cases, as opposed, for example, to researching and integrating governance issues in all cases but researching and integrating environmental or social issues only in certain cases. ESG issues differ in their relevance and materiality across companies, sectors and markets. This indicator does not relate to your final judgements about relevance or materiality, but to the scope of your research and integration processes.  *Systematic and Occasional*   * **Systematic** processes review the relevance of ESG issues across different sectors, markets, strategies, issues. Typically these are a planned, routine part of your investment process for all relevant staff. * **Occasional** reviews are typically ad hoc and may applied by some investment managers and not by others, or to some markets only, or to some sectors only. |
| **LOGIC** | |
| FI 11 | This indicator will be applicable if you reported that your organisation applies an ESG incorporation strategy in relation to your corporate fixed income investments in [04.1]. |

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| **ASSESSMENT** | |
| **FI 11** | Maximum score: Three ★  This indicator assesses if your organisation systematically reviews E, S and/or G issues reported in [11.1]. |

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|  | Indicator status | Purpose | Principle |
| FI 12 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1 |

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| FI 12 | INDICATOR |
| **FI 12.1** | Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis. |
|  | * Comprehensive ESG research is undertaken or sourced to determine companies’ activities and products * Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies * Company information and/or ratings on ESG are updated regularly * A periodic review of the quality of the research undertaken or provided is carried out * Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * None of the above |
| **FI 12.2** | Describe how ESG information is held and used by your portfolio managers. |
|  | * ESG information is held within centralised databases or tools and it is accessible by all relevant staff * ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff * Systematic records are kept that capture how ESG information and research was incorporated into investment decisions * Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * None of the above |
| **FI 12.3** | Additional information. |
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| FI 12 | **EXPLANATORY NOTES** |
| **FI 12** | The purpose of this indicator is to allow you to describe the quality and management of your ESG information. The indicator does not differentiate between ESG information produced internally and provided via research providers. |
| **FI 12.1** | This sub-indicator allows you to describe the quality of your research used for ESG integration purposes. Some investors use the same sources of research for both their screening and integration strategies. If this is the case, your answers here will be identical to those you provide in FI 07. |
| **FI 12.2** | This sub-indicator allows you to highlight how you ensure that ESG information contributes to your investment decisions. Describe any additional steps you take that are not highlighted by the indicator options.  The term **systematic** should be interpreted to mean a planned, routine part of your investment process for all relevant staff. |
| **LOGIC** | |
| **FI 12** | This indicator will be applicable if you reported that your organisation applies an ESG integration strategy in relation to your corporate fixed income investments in [04.1]. |

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| **ASSESSMENT** | |
| **LEI 16** | Maximum score: 3 ★  The assessment will be based on the response to [12.1] and/or [12.2]. |

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| SECTION |
| Fixed income – Government |

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|  | Indicator status | Purpose | Principle |
| FI 13 | MANDATORY | CORE ASSESSED | PRI 1 |

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| FI 13 | INDICATOR | | |
| **FI 13.1** | Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments. | | |
|  | 🔾 Yes | | 🔾 No |
| **FI 13.2** | Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making. | | |
|  | 🔾 <10% 🔾 10-50% 🔾 51-90% 🔾 >90% | | |
| **FI 13.3** | Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers. | | |
| **ESG issues** | **Coverage/extent of review on these issues** | |
| Environmental | 🔾 We systematically review the potential significance of environmental issues and investigate them accordingly  🔾 We occasionally review the potential significance of environmental issues and investigate them accordingly  🔾 We do not review environmental issues | |
| Social | 🔾 We systematically review the potential significance of social issues and investigate them accordingly  🔾 We occasionally review the potential significance of social issues and investigate them accordingly  🔾 We do not review social issues | |
| Governance | 🔾 We systematically review the potential significance of governance issues and investigate them accordingly  🔾 We occasionally review the potential significance of governance issues and investigate them accordingly  🔾 We do not review governance issues | |
| **FI 13.4** | Describe your approach to incorporating ESG issues in government fixed income investments.  [Optional] | | |
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| **FI 13.5** | Additional information.  [Optional] | | |
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| FI 13 | **EXPLANATORY NOTES** |
| **FI 13.2** | Under Principle 1, you undertake to incorporate ESG issues into investment analysis and decision-making processes. The purpose of this indicator is to allow you to demonstrate the proportions of your fixed income assets that are covered by different approaches to implementing this Principle. There are many different ways in which this can be done. For example you may be applying ESG screens. You may also invest in local government bonds which have a social theme such as social housing. |
| **FI 13.3** | The purpose of this sub-indicator is to allow you to explain whether you research the potential relevance of all ESG issues in all cases, as opposed to, for example, researching governance in all cases but researching environmental or social issues only in certain cases. ESG issues differ in their relevance and materiality across countries and municipalities. This indicator does not relate to your final judgements about relevance or materiality, but to the scope of your research processes.  *Systematic and Occasional*   * **Systematic** processes review the relevance of ESG issues across different sectors, markets, strategies, issues. Typically these are a planned, routine part of your investment process for all relevant staff. * **Occasional** reviews are typically ad hoc and may applied by some investment managers and not by others, or to some markets only, or to some sectors only. |
| **FI 13.4** | Describe your primary reasons for choosing a particular incorporation strategy.  This may include a discussion of:   * Due to choice(s) made by your organisation, * Due to financial and/or ESG implications, * To meet client demand.   If you screen, please indicate the type of screens, when they are applied, the kind of research sources used and the way in which you ensure that the criteria are not breached. |
| **LOGIC** | |
| **FI 13** | This indicator is applicable if you reported an active strategy in relation to fixed income – government investments at [01.1].  Within this indicator, [13.2], [13.3] and [13.4] will be applicable if ‘Yes’ is reported in [13.1]. |
| **ASSESSMENT** | |
| **FI 13** | Maximum score: Six ★  This indicator assesses two parts of [13] separately. [13.2] is worth three ★ and [13.3] is worth three ★. |

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| SECTION |
| ESG incorporation in passively managed fixed income |

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|  | Indicator status | Purpose | Principle |
| FI 14 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY | PRI 1 |

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| FI 14 | INDICATOR | | | | |
| **FI 14.1** | Indicate if you manage passive fixed income funds that incorporate ESG issues in the index construction methodology. | | | | |
|  | **Fixed Income - Corporate** | | **Fixed Income - Government** | | |
|  | 🔾 Yes | 🔾 No | 🔾 Yes | | 🔾 No |
| **FI 14.2** | Indicate the percentage of your total passive fixed income funds for which ESG issues are incorporated in the index construction methodology. | | | | |
|  | a) ESG incorporation passive - corporate fixed income funds | | | 🔾 <10% 🔾 10-50% 🔾 51-90% 🔾 >90%  (% of total passive corporate FI funds) | |
| b) ESG incorporation passive - government fixed income funds | | | 🔾 <10% 🔾 10-50% 🔾 51-90% 🔾 >90%  (% of total passive government FI funds) | |
| **FI 14.3** | Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategy you apply. | | | | |
| **Index and fund name and brief descripton of ESG methodology** | | **ESG incorporation strategy**  (select all that apply) | | |
|  | | ❑ Screening  ❑ Thematic  ❑ Integration of ESG issues  ❑ Other | | |
|  | | [same as above] | | |
|  | | [same as above] | | |
|  | | [same as above] | | |
|  | | [same as above] | | |
| **FI 14.4** | Additional information.  [Optional] | | | | |
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| FI 14 | **EXPLANATORY NOTES** |
| FI 14.3 | For definitions of passive and active management, please refer to the preface of this document, or the [Main Definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document. For definitions of ESG incorporation in passively managed funds, please refer to the [Main Definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document.  Up to five index/fund examples can be reported for Fixed Income – Corporate and/or Government (depending on your asset mix). It is mandatory to report one index/fund example for each relevant category. |
| **LOGIC** | |
| **FI 14** | This indicator is applicable if you reported a passive strategy in relation to corporate or government fixed income investments in [01.1]. You will only be required to report on fixed income investments that are relevant to your selections made at [01.1].  Within this indicator, [14.2] and [14.3] will be applicable if ‘Yes’ is reported in [14.1]. |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| FI 15 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| FI 15 | INDICATOR |
| **FI 15.1** | Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe. |
|  | **Fixed Income - Corporate** |
| ❑ Narrow down or prioritise the investment universe  ❑ Buy / sell / weight decisions  ❑ Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Fixed Income - Government** |
| ❑ Narrow down or prioritise the investment universe  ❑ Buy / sell / weight decisions  ❑ Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **FI 15.2** | Additional information. |
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| FI 15 | **EXPLANATORY NOTES** |
| **FI 15.1** | You are encouraged to discuss whether the ESG incorporation approach has affected portfolio design and construction (e.g. by reference to particular sectors, particular geographies). Highlight how your investment universe has been impacted.  You can provide further information on specific ESG issues that have affected individual investment views and decisions under indicator FI 17. |
| **LOGIC** | |
| **FI 15.1** | This indicator will be applicable if you reported ‘Yes’ in [14.1], passively managed, or if you reported that a screening, thematic and/or integration strategy is applied to some part of your actively managed fixed income corporate in [04] and government in [13.1]. |

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|  | Indicator status | Purpose | Principle |
| FI 16 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| FI 16 | INDICATOR | | |
| **FI 16.1** | Indicate whether your organisation measures how your approach to ESG issues in Fixed Income investments has affected financial and/or ESG performance. | | |
|  | ❑ We measure whether our approach to ESG issues impacts funds’ financial performance  ❑ We measure whether our approach to ESG issues impacts funds’ risk or volatility  ❑ We measure whether our approach to ESG issues impacts funds’ ESG performance  ❑ None of the above | | |
|  | Fixed Income – Corporate | | |
| Describe the impact on: | | Strategies considered |
| a) Funds’ financial performance | 🔾 Positive  🔾 Negative  🔾 No impact  🔾 We do not measure the impact for this asset class | ❑ Screening  ❑ Integration  ❑ Thematic  ❑ Index construction (passively managed funds) |
| b) Funds’ risk or volatility | 🔾 Reduced risk or volatility  🔾 Increased risk or volatility  🔾 No impact  🔾 We do not measure the impact for this asset class | ❑ Screening  ❑ Integration  ❑ Thematic  ❑ Index construction (passively managed funds) |
| c) Funds’ ESG performance | 🔾 Positive  🔾 Negative  🔾 No impact  🔾 We do not measure the impact for this asset class | ❑ Screening  ❑ Integration  ❑ Thematic  ❑ Index construction (passively managed funds) |
| Fixed Income - Government | | |
| Describe the impact on: | | Strategies considered |
| a) Funds’ financial performance | 🔾 Positive  🔾 Negative  🔾 No impact  🔾 We do not measure the impact for this asset class | ❑ ESG incorporation (actively managed funds)  ❑ Index construction (passively managed funds) |
| b) Funds’ risk or volatility | 🔾 Reduced risk or volatility  🔾 Increased risk or volatility  🔾 No impact  🔾 We do not measure the impact for this asset class | ❑ ESG incorporation (actively managed funds)  ❑ Index construction (passively managed funds) |
|  | c) Funds’ ESG performance | 🔾 Positive  🔾 Negative  🔾 No impact | ❑ ESG incorporation (actively managed funds)  ❑ Index construction (passively managed funds) |
| **FI 16.2** | Describe how you are able to determine these outcomes. | | |
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| FI 16 | **EXPLANATORY NOTES** |
| **FI 16** | This indicator aims to capture whether you measure impact, positive or negative, of taking account and managing ESG issues on both financial and ESG performance. |
| **FI 16.2** | Describe how you measure how the impact of ESG issues on financial returns, risks and/or ESG performance. You are strongly encouraged to report on carbon benchmarking, if this is undertaken.  You are encouraged to specify the ESG issues (e.g. greenhouse gas emissions, water consumption) and financial measures you use to assess performance and comment on any practical issues in using these measures in your processes. |
| **LOGIC** | |
| **FI 16** | This indicator will be applicable if you reported ‘Yes’ in [14.1], passively managed, or if you reported that a screening, thematic and/or integration strategy is applied to some part of your actively managed fixed income corporate in [04] and/or incorporation of ESG issues is taking place for fixed income government assets in [13.1].  Depending on the strategy reported in [16.1], different sections of [16.2] will be applicable.  The relevant active ESG incorporation strategy fields for corporate fixed income will be applicable depending on your responses in [04]. The field ‘Index incorporating ESG issues (for passively managed funds)’ will be applicable depending on your response in [14.1]. |
| **ASSESSMENT** | |
| **FI 16** | Maximum score: Three ★  The scoring of this indicator is based on your response to [16.1]. |

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| FI 16 | **DEFINITIONS** |
| **FI 16** | Definitions of screening, thematic and integration strategies for active and passively managed funds can be found in the [Main Definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document. |

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|  | Indicator status | Purpose | Principle |
| FI 17 | VOLUNTARY | DESCRIPTIVE | PRI 1 |

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| FI 17 | INDICATOR | | | |
| **FI 17.1** | Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year. | | | |
|  | **Fixed Income - Corporate and/or Government** | **ESG issue and explanation** | **ESG incorporation strategy applied** | **Impact on investment decision or performance** |
| [drop down] |  | * Screening * Thematic * Integration * Combination of ESG incorporation strategies * Index incorporating ESG issues   [drop down] |  |
| [same as above] |  | [same as above] |  |
| [same as above] |  | [same as above] |  |
|  | [same as above] |  | [same as above] |  |
| [same as above] |  | [same as above] |  |
| **FI 17.2** | Additional information. | | | |
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| FI 17 | **EXPLANATORY NOTES** |
| **FI 17** | You are encouraged to provide at least three, and up to five, examples. As far as practicable, these should provide the clearest illustration of how ESG issues were incorporated.  Depending on your organisation, the examples may focus on different ESG issues, different sectors, or may have resulted in different investment decisions (e.g. exclude, buy, sell, hold, overweight, underweight).  **ESG issue and explanation** - you are not expected to disclose the name of the company but can instead be generic, e.g. UK bank, Chinese retailer, etc.  **Impact on investment view or performance** -this can include the number of holdings in your portfolio that is affected and in which sectors. |
| **LOGIC** | |
| **FI 17.1** | This indicator will be applicable if you reported ‘Yes’ in [14.1], passively managed, or if you reported that a screening, thematic and/or integration strategy is applied to some part of your actively managed fixed income corporate in [04] and/or incorporation of ESG issues is taking place for fixed income government assets in [13.1].  The options in field ‘ESG incorporation strategy applied’ will be applicable depending on your responses in [03] for active fixed income corporate strategies (screening, thematic, integration or combination of ESG incorporation strategies), based on response in [13.1] about ESG incorporation strategies for active fixed income government and in [14.1] for passive strategy (index incorporating ESG issues). |

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| SECTION |
| Communication |

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|  | Indicator status | Purpose | Principle |
| FI 18 | MANDATORY | CORE ASSESSED | PRI 2,6 |

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| FI 18 | INDICATOR | |
| **FI 18.1** | Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments. | |
|  | 🔾 We disclose it publicly, provide URL:\_\_\_\_\_\_\_\_  🔾 We disclose it to clients/beneficiaries only  🔾 We do not proactively disclose it to the public and/or clients/beneficiaries | |
| **FI 18.2** | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries. | |
|  | 🔾 Yes | 🔾 No |
| **FI 18.3** | Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation. | |
| 🔾 Broad approach to ESG incorporation  🔾 Detailed explanation of ESG incorporation strategy used | |
| **FI 18.4** | Indicate how frequently you typically report this information to the public | |
| 🔾 Quarterly or more frequently  🔾 Between quarterly and annually  🔾 Less frequently than annually  🔾 Other, specify\_\_\_\_\_\_\_\_ | |
| **FI 18.5** | Indicate the information your organisation proactively discloses to clients/beneficiaries regarding your approach to ESG incorporation. | |
| 🔾 Broad approach to ESG incorporation  🔾 Detailed explanation of ESG incorporation strategy used | |
| **FI 18.6** | Indicate how frequently you typically report this information to clients/beneficiaries | |
| 🔾 Quarterly or more frequently  🔾 Between quarterly and annually  🔾 Less frequently than annually  🔾 Other, specify\_\_\_\_\_\_\_\_ | |
| **FI 18.7** | Additional information.  [Optional] | |
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| FI 18 | **EXPLANATORY NOTES** |
| **FI 18** | The purpose of this indicator is to allow signatories to demonstrate how widely they make information about their responsible investment activities available. Information provided to certain groups – such as pension fund beneficiaries – may in practice be in the public domain. However, proactive reporting to the public at large is treated here as a separate category of communication.  Proactively means beyond the publication of your responses to the PRI Reporting Framework on the PRI website. This can be information on your own website (such as your full or partial PRI Reporting Framework responses, or other forms of RI reporting), annual report, newsletter, etc. It may be information proactively given to clients or shared with the public using any form judged appropriate. |
| **FI 18.5** | This may include a discussion of any situations where you do not disclose to the public because clients have proactively mandated your organisation not to. |
| **LOGIC** | |
| **FI 18** | Within this indicator:   * If you report that your organisation discloses information to your clients/beneficiaries only, indicators [18.5] and [18.6] will be applicable. * If you report that your organisation discloses information to the public, indicators [18.3] and [18.4] will be applicable. * If you report that the information presented to the public and clients/beneficiaries is different in indicator [18.2], indicators [18.5] and [18.6] will also be applicable, allowing you to describe the differences in approach. |
| **ASSESSMENT** | |
| **FI 18** | Maximum score: Six ★  The assessment of this indicator is based on whether information is disclosed to the public or clients/beneficiaries only [18.1], what information is disclosed [18.3] and how frequently [18.4]. The top score can only be achieved if information is being disclosed to the public. |

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| SECTION |
| Engagement in fixed income investments |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **FIXED INCOME - CORPORATE** |

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|  | Indicator status | Purpose | Principle |
| FI 19 | VOLUNTARY | DESCRIPTIVE | PRI 2 |

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| --- | --- | --- |
| FI 19 | INDICATOR | |
| **FI 19.1** | Indicate if you engage with corporate issuers. | |
|  | 🔾 Yes | 🔾 No |
| **FI 19.2** | Describe your organisation’s approach to engagement in corporate fixed income. | |
|  |  | |
| **FI 19.3** | Additional information. | |
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| FI 19 | **EXPLANATORY NOTES** |
| **FI 19** | In describing your approach to engagement you may consider:   * The overarching objectives for engagement * The focus of your engagement (e.g. thematic, sector-focused, reactive, new bond issues, etc.) * Whether you engage individually, collaboratively, or via service providers. If you engage internally, you may highlight who carries out the engagement (i.e. ESG teams, analysts, senior management) * How you address any issues arising if you are both a bondholder and a shareholder in a given company * The main engagement approaches that you use (e.g. face-to-face meetings, letters, etc.) * What outputs and/or outcomes you have achieved * What sort of information you disclose to clients and/or the public (share URL) |
| **LOGIC** | |
| **FI 19** | This indicator will be applicable if you opted to report on corporate fixed income investments in the *Organisational Overview* *(OO)* module. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **FIXED INCOME - GOVERNMENT** |

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|  | Indicator status | Purpose | Principle |
| FI 20 | VOLUNTARY | DESCRIPTIVE | PRI 2 |

|  |  |  |
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| FI 20 | INDICATOR | |
| **FI 20.1** | Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness. | |
|  | 🔾 Yes | 🔾 No |
| **FI 20.2** | Please describe your organisation’s approach to engagement in government fixed income. | |
|  |  | |
| **FI 20.3** | Additional information. | |
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| FI 20 | **EXPLANATORY NOTES** |
| **FI 20** | The PRI is aware that engagement with governments and agencies is not widespread among signatories. Nonetheless, some signatories do engage in this way, directly and indirectly. This indicator provides an opportunity to describe these activities if appropriate. Engagement of this kind, with governments or other issuers, has the objective of influencing their actions as they are believed to influence credit risk.  In describing your approach to engagement you may consider:   * The overarching objectives for engagement * The focus of your engagement (e.g. thematic, sector-focused, reactive, new bond issues, etc.) * Whether you engage individually, collaboratively, or via service providers. If you engage internally, you may highlight who carries out the engagement (i.e. ESG teams, analysts, senior management) * The main engagement approaches that you use (e.g. face-to-face meetings, letters, etc.) * What outputs and/or outcomes you have achieved * What sort of information you disclose to clients and/or the public (share URL) |
| **LOGIC** | |
| **FI 20** | This indicator will be applicable if you opted to report on government fixed income investments in the *Organisational Overview* *(OO)* module. |