

PRI REPORTING FRAMEWORK 2014/15

Indirect – Manager Selection, Appointment and Monitoring

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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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# Pathways through the module

**SAM 01:** Description of RI considerations

**SAM 02:** Role of investment consultants

**SAM 03:** RI factors in selection, appointment and monitoring across asset classes

**SAM 14:** Percentage of externally managed assets managed by PRI signatories

**SAM 15:** Examples of ESG issues in selection, appointment and monitoring processes

**SAM 16:** Disclosure of RI considerations

**SAM End**: Module confirmation page

**SAM 13:** Description of RI considerations in ‘other’ asset classes

ESG in selection, appointment or monitoring of other asset classes not covered above

**SAM 09:** Percentage of (proxy) votes cast)

**SAM 05**: ESG incorporation strategies

**SAM 04:** Breakdown of passive, active quant and active fundamental

**SAM 06:** Selection processes (listed assets)

If ESG issues in selection process

**SAM 07:** Appointment considerations (listed assets)

If ESG issues in appointment process

**SAM 08:** Monitoring processes (listed assets)

If ESG issues in monitoring process

External managers vote, and % of votes cast reviewed by you

External managers do not vote, or % of votes cast not reviewed

ESG in selection, appointment or monitoring of Listed assets (Listed Equity, Fixed Income – Corporate or Fixed Income – Government)

ESG in selection, appointment or monitoring of Non-listed assets (Private Equity, Property or Infrastructure)

**SAM 12:** Monitoring processes (non-listed assets)

If ESG issues in monitoring process

**SAM 10:** Selection processes (non-listed assets)

If ESG issues in selection process

**SAM 11:** Appointment considerations (non-listed assets)

If ESG issues in appointment process

# Preface

This module is designed for investors who outsource some or all of their investment activities to external investment managers. Pension funds, insurance companies, sovereign wealth funds, foundations and endowments are frequently indirect investors, although they may also have direct investments. Investment managers may also outsource some of their investment activities (e.g. in multimanager or fund-of-fund structures) and those assets should be reported in this module.

Investors who have externally managed listed equities but engage and/or vote in-house, or who instruct specialist service providers to vote and/or engage on their behalf should report these active ownership activities within the *Listed Equity Active Ownership (LEA)* module. Indicators on engagement and (proxy) voting in this module will only be displayed in the online tool if you indicate that your external managers perform these functions (SAM 05).

Investors who hire asset consultants (and/or fiduciary managers) to support them in selecting, appointing and monitoring external managers will also be able to report their, or their asset consultant’s, responsible investment activities here. For signatories using asset consultants, the following [data collection form](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RA_indirectdatacollection.docx) is available to simplify their reporting.

This module focuses primarily on the broad processes in place for selecting, appointing and monitoring external managers. It has three specific pathways:

* one for listed asset classes for which there is a direct module in the Reporting Framework, i.e. listed equities (LE), corporate fixed income (FIC) and government fixed income (FIG),
* one for non-listed asset classes for which there is a direct module in the Reporting Framework, i.e. private equity (PE), property (PR) and infrastructure (INF), and
* one for the remaining assets not currently captured by other direct modules.

Some indicators and reporting options are broken down by asset class, e.g. indicator SAM 06 by listed equity, corporate fixed income and government fixed income. In these cases you will be able to choose to report separately by each individual asset class and explain any specific implementation differences between asset classes in open-ended indicators. You will also have an option labelled ‘All assets’ (if more than one asset class) that enables you to indicate that a certain procedure, e.g. option ‘review the manager’s responsible investment policies’ in SAM 06, apply to all applicable asset classes. In asset classes for which direct modules have not been developed, such as commodities and hedge funds, you will be able to report on your approach under an open-ended indicator (SAM 13).

*\*Note 1: While retail banks and fund-of-fund investors may also be classed as indirect investors, their characteristics differ in some areas from the organisations covered in this module. A separate module for these investors may be developed by the PRI in the future. Until then, these investors should report using this module and use the open-ended indicators to explain how they implement responsible investment.*

*\*Note 2: Inclusive Finance. There is a separate module for indirect investors in inclusive finance (IFI). This module is mandatory to report for signatories to the Principles for Investors in Inclusive Finance (PIIF) and voluntary for all other investors holding inclusive finance assets.*

**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 |
| SAM 08, 12 | Additional options have been added under the ‘general’ heading to cover reporting on the impact of ESG implementation on financial/ESG performance. This is to improve consistency with the direct modules. |
| Prefilling | Prefilling is enabled for this module, with the following exceptions:   * [SAM 08] and [SAM 12] will not be prefilled as additional options have been added, which may influence the selections made. * [SAM 09] and [SAM 15] will not prefill as responses are specific to the reporting year. |

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| SECTION |
| Overview |

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|  | Indicator status | Purpose | Principle |
| SAM 01 | VOLUNTARY | DESCRIPTIVE | PRI 1-6 |

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| SAM 01 | INDICATOR |
| **SAM 01.1** | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes. |
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| SAM 01 | **EXPLANATORY NOTES** |
| **SAM 01.1** | This can include a discussion of:   * The actions you take to ensure that your responsible investment policy (with coverage of approach to ESG incorporation and/or active ownership) is applied by investment managers. * Whether your organisation has a formal scoring system for assessing managers’ responsible investment capabilities during the selection process, and for evaluating their performance during ongoing monitoring. * Any variations in implementation (e.g. between segregated and pooled funds, between asset classes, or between existing and new investment managers). * Who is responsible for these activities, specifically whether these activities are carried out by internal staff or whether you use external advisers (e.g. investment consultants, other specialist providers) to help you.   *Notes for passive funds*  Signatories who use external passive managers can describe here how they assess the manager’s engagement capabilities and performance during manager selection, appointment and monitoring.  *Notes for investment managers investing in funds-of-funds*  Investment managers may include a discussion of whether your approach to selection, appointment and monitoring varies according to the instructions of individual clients. |

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|  | Indicator status | Purpose | Principle |
| SAM 02 | MANDATORY | CORE ASSESSED | PRI 4 |

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| SAM 02 | INDICATOR | | | | | | | | |
| **SAM 02.1** | Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. | | | | | | | | |
|  | 🔾 Yes | | | | 🔾 No | | | | |
| **SAM 02.2** | Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional] | | | | | | | | |
|  |  | **Listed equity (LE)** | **Fixed income - corporate (FIC)** | **Fixed income - government (FIG)** | | **Private equity**  **(PE)** | **Infra-structure**  **(INF)** | **Property**  **(PR)** | **Other asset classes** |
| ❑ We use investment consultants in our selection and appointment of external managers | ❑ | ❑ | ❑ | | ❑ | ❑ | ❑ | ❑ |
| ❑ We use investment consultants in our monitoring of external managers | ❑ | ❑ | ❑ | | ❑ | ❑ | ❑ | ❑ |
| ❑ We use fiduciary managers | ❑ | ❑ | ❑ | | ❑ | ❑ | ❑ | ❑ |
| **SAM 02.3** | Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers. | | | | | | | | |
|  | ❑ Responsible investment is included in the selection process for investment consultants  ❑ Consultants’ responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them  ❑ Responsible investment is considered when reviewing investment consultants’ advice on manager selection and performance monitoring  ❑ We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants. | | | | | | | | |
| **SAM 02.4** | Additional information.  [Optional] | | | | | | | | |
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| SAM 02 | **EXPLANATORY NOTES** |
| **SAM 02** | Investment consultants and fiduciary managers play an important role in manager selection, appointment and monitoring. They can therefore make a significant contribution to the promotion and development of responsible investment. This indicator enables you to explain if and how your organisation works with investment consultants and fiduciary managers. The sub-indicators will capture how and to what extent you consider their responsible investment capabilities in your selection, appointment and monitoring processes.  **From here on the phrasing ‘investment consultants’ will be used to refer to both investment consultants and fiduciary managers.**  **The remainder of this module covers what you, and/or your consultant(s), are doing in relation to ESG issues in the selection, appointment and monitoring of investment managers. To support you in reporting to this module the PRI has developed a tool to help you collect information from your consultant(s) and fiduciary manager:** [**link**](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RA_indirectdatacollection.docx)**.** |
| **SAM 02.1** | This sub-indicator aims to capture if you use asset consultants or fiduciary managers in the selection and monitoring of external managers. It also aims to understand for what asset class you work with these asset consultants. This sub-indicator however does not cover whether you use asset consultants to implement your responsible investments. This is captured in sub-indicator SAM 02.2. |
| **SAM 02.2** | If you select any of the indicator’s options, part of your responsible investment implementation is occurring through your investment consultant(s).  The option ‘Other asset classes’ includes Fixed income – other, Private debt, Commodities, Farmland, Forestry, Hedge funds, Cash and/or Other. It will be applicable if you report assets (externally) in any of these categories in the Organisational Overview (OO) module. |
| **SAM 02.3** | This may include a discussion of:   * Whether and how your appointment process for consultants differs between listed and non-listed assets. * Whether you examine consultants’ track record in the consideration of ESG issues in manager selection, appointment and/or monitoring. * Examples of responsible investment related services that your consultant has provided. |
| **LOGIC** | |
| **SAM 02** | [02.2] and [02.3] will be applicable if you report ‘Yes’ to [02.1].  Within [02.2], some or all of the asset classes will be applicable, depending on the information reported in the *Organisational Overview* (OO) module. |
| **ASSESSMENT** | |
| **SAM 02** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [02.3].  Organisations that do not use investment consultants will not be assessed on this indicator. |

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|  | Indicator status | Purpose | Principle |
| SAM 03 | MANDATORY | GATEWAY | GENERAL |

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| SAM 03 | INDICATOR | | | |
| **SAM 03.1** | Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager:  (a) Selection,  (b) Appointment (investment management agreements/contracts), and  (c) Monitoring | | | |
|  | **Asset classes** | **(a) Selection** | **(b) Appointment** | **(c) Monitoring** |
| Listed equity | ❑ | ❑ | ❑ |
| Fixed income – corporate | ❑ | ❑ | ❑ |
| Fixed income – government | ❑ | ❑ | ❑ |
| Fixed income – other | ❑ | ❑ | ❑ |
| Private equity | ❑ | ❑ | ❑ |
| Private debt | ❑ | ❑ | ❑ |
| Property | ❑ | ❑ | ❑ |
| Infrastructure | ❑ | ❑ | ❑ |
| Forestry | ❑ | ❑ | ❑ |
| Farmland | ❑ | ❑ | ❑ |
| Commodities | ❑ | ❑ | ❑ |
| Hedge funds | ❑ | ❑ | ❑ |
| Cash | ❑ | ❑ | ❑ |
| Other (1) | ❑ | ❑ | ❑ |
| Other (2) | ❑ | ❑ | ❑ |
| **SAM 03.2** | Additional information.  [Optional] | | | |
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| SAM 03 | **EXPLANATORY NOTES** |
| **SAM 03** | **From here on the phrasing ‘investment consultants’ will be used to refer to both investment consultants and fiduciary managers.** |
| **SAM 03.1** | Please select all that apply. |
| **LOGIC** | |
| **SAM 03** | Within this indicator, some or all of the asset classes will be applicable, depending on the information reported in the *Organisational Overview* (OO) module.  This is a gateway indicator, so your answer here determines which indicators you are required to report on in subsequent sections of this module, and also which parts of those indicators will be relevant for you.  This module contains indicators specific to selecting, appointing or monitoring managers for:   * Listed Equity, Fixed Income - Corporate and/or Fixed Income - Government ([04-09]), and; * Private Equity, Property and/or Infrastructure ([10-12]).   Within these sections, you will only be required to report on activities and asset classes that are relevant, based on your response to [03.1]. For example, if you consider responsible investment issues when selecting and appointing for a Listed Equity manager, but not during monitoring, you will only need to report on selection and appointment indicators for Listed Equity.  You can report your approach for asset classes not listed above in indicator [13]. |

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| SECTION |
| Listed equity (LE), Fixed income - corporate (FIC), Fixed income - government (FIG) – listed assets |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | OVERVIEW |  |  |

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|  | Indicator status | Purpose | Principle |
| SAM 04 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY/PEERING | GENERAL |

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| SAM 04 | INDICATOR | |
| **SAM 04.1** | Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies. | |
|  | **Listed equity (LE)** | **As % of externally managed listed equity** |
| Passive | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active – quantitative (quant) | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active - fundamental and other active | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| **Total externally managed listed equities** | **100%** |
| **Fixed income - corporate (FIC)** | **As % of externally managed corporate fixed income** |
|  | Passive | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active – quantitative (quant) | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active - fundamental and other active | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| **Total externally managed corporate fixed income** | **100%** |
| **Fixed income - government (FIG)** | **As % of externally managed government fixed income** |
| Passive | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active – quantitative (quant) | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| Active – fundamental and other active | 🔾 0% 🔾 <10% 🔾 10-50% 🔾 >50% |
| **Total externally managed government fixed income** | **100%** |
| **SAM 04.2** | Additional information.  [Optional] | |
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| SAM 04 | **EXPLANATORY NOTES** |
| **SAM 04.1** | Your organisation’s breakdown of passive, active quant and active fundamental and other strategies by listed equities, corporate fixed income and government fixed income will be used to trigger subsequent indicators about ESG incorporation strategies used by your managers.  Reported data will also be used in the assessment process to peer your organisation against those with a similar breakdown. |
| **LOGIC** | |
| **SAM 04** | This indicator determines which parts of indicator [05] are applicable.  For example, if you report using passive investment strategies in relation to Listed Equity in [04], you will only see the part of [05.1] relevant to passive investment strategies for Listed Equity. |

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| SAM 04 | **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 judgment. 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 SAM 04.2 |

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|  | Indicator status | Purpose | Principle |
| SAM 05 | MANDATORY | GATEWAY | PRI 1.2 |

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| SAM 05 | INDICATOR | | | | | |
| **SAM 05.1** | Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf: | | | | | |
|  |  | **All assets** | **LE** | **FIC** | | **FIG** |
| ***Active investment strategies*** | | | | | |
| Screening | ❑ | ❑ | ❑ | | ❑ |
| Thematic | ❑ | ❑ | ❑ | | ❑ |
| Integration | ❑ | ❑ | ❑ | | ❑ |
| None of the above | ❑ | ❑ | ❑ | | ❑ |
| ***Passive investment strategies*** | | | | | |
| Screening | ❑ | ❑ | ❑ | | ❑ |
| Thematic | ❑ | ❑ | ❑ | | ❑ |
| Integration | ❑ | ❑ | ❑ | | ❑ |
| None of the above | ❑ | ❑ | ❑ | | ❑ |
| **SAM 05.2** | Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager. | | | | | |
|  |  | | **All assets** | **LE** | **FIC** | |
| We engage directly or via service providers on our externally managed assets | | ❑ | ❑ | ❑ | |
| We require our external managers to engage on our behalf | | ❑ | ❑ | ❑ | |
| None of the above | | ❑ | ❑ | ❑ | |
| **SAM 05.3** | Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager. | | | | | |
|  |  | | | | **LE** | |
|  | We cast our (proxy) votes directly or via service providers on our externally managed assets | | | | ❑ | |
| We require our external managers to cast our (proxy) votes on our behalf | | | | ❑ | |
| None of the above | | | | ❑ | |
| **SAM 05.4** | Additional information.  [Optional] | | | | | |
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| SAM 05 | **EXPLANATORY NOTES** |
| **SAM 05.1** | Not all signatories require their external managers to incorporate ESG issues across all areas and all assets. For listed equities and/or fixed income, signatories may choose not to address ESG issues because of the characteristics of a specific investment strategy.  Moreover, both in active and passive strategies, ESG incorporation may be done by one or more strategies. These are explained clearly in the “definition” section and you can express here which, if any, you request your manager implements on your behalf. |
| **SAM 05.2 and 05.3** | Some signatories may choose to implement active ownership directly themselves and thus not ask external managers to do so on their behalf. For example, signatories may choose to engage and cast their (proxy) votes themselves or via service providers. In such cases, do not select these options in indicators 05.2 and 05.3. This will ensure that the online tool only shows indicators that are relevant for you. If you are engaging or (proxy) voting via other channels these can be reported in the Direct - Listed Equity Active Ownership (LEA) module. |
| **SAM 05.4** | The reported information of this indicator is expected to highlight what you typically require your managers to implement on your behalf. If there are differences across what you ask your external managers to implement, report it here. Moreover, if your integration, engagements or (proxy) voting activities cover only a portion of your portfolio or part of the markets you invest in, please describe it here. |
| **LOGIC** | |
| **SAM 05** | The subsequent indicators in this section are divided into four areas of responsible investment implementation. Your response to this indicator determines which parts of subsequent indicators are applicable, with the exception of ‘General’ which is always applicable.   * General (relevant to LE, FIC and FIG). * ESG incorporation (relevant to LE, FIC and FIG). The ESG incorporation part of subsequent indicators is driven by your response to [05.1]. * Engagement (relevant only to LE and FIC). The engagement part of subsequent indicators is driven by your response to [05.2]. * (Proxy) voting (relevant only to LE). The (proxy) voting part of subsequent indicators is driven by your response to [05.3].   Only the areas of responsible investment implementation, by listed asset class, selected in this indicator will be applicable in subsequent ones. For example, if you do not require your external managers to cast (proxy) votes on your behalf and you do not cast them directly, the (proxy) voting section of the subsequent indicators will not be applicable. |

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| SAM 05 | **DEFINITIONS** | |
| **ESG incorporation** | | |
| 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 * Thematic/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 is aligning 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. |
| Thematic/ sustainability themed investing | 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. |
| Investment decision-making processes  For the purposes of the Reporting Framework, investment decision making processes refers to research, analysis and other processes that lead to a decision to make or retain an investment ( i.e. to buy, sell or hold a security), or to commit capital to an unlisted fund or other asset.  (Proxy) voting decisions and engagement activities are not classified as investment decisions for the purposes of the Reporting Framework. These decisions fall under Principle 2 of the PRI, relating to active ownership, and within the Listed Equity – Active Ownership (LEA) module of the Framework. | |

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| Further Explanation Of Definitions For Active Strategies | |
| Screening | **Screening** covers both screening conducted under a manager’s own policy and client-directed screening.  **Negative/exclusionary screening and positive/best-in-class screening** are based on criteria defined in a variety of ways: by product, activity, sector, geographic region or management practices.  **Norms-based screening** involves either: i) defining the investment universe based on investees’ performance on international norms related to responsible investment/ESG issues, or ii) excluding investees from portfolios after investment if they are found following research, and sometimes engagement, to contravene these norms. Such norms include but are not limited to the UN Global Compact Principles, the Universal Declaration of Human Rights, International Labour Organization standards, the United Nations Convention Against Corruption and the OECD Guidelines for Multinational Enterprises. |
| Thematic/  Sustainability themed investing | **Sustainability themed investing** involves the selection of assets that contribute to addressing sustainability challenges such as climate change or water scarcity. Funds can either be single-themed or multi-themed. For the purpose of this Reporting Framework, we use interchangeably the term **environmental and social themed** and **sustainability themed investments**. |
| Integration of ESG issues | **Integration of ESG issues** encompasses the use of qualitative and quantitative ESG information in investment processes, with the objective of enhancing investment decision-making. Integration of ESG issues can be used to inform economic analysis and industry analysis. It can be used at the portfolio level, by taking into account ESG-related trends such as climate change, or at the stock, issuer, or investee level. The term is used interchangeably with **ESG integration** or **integrated analysis**.  Integrated analysis for active stock-picking or other equity investments includes analysing how ESG issues can affect a company’s balance sheet, income statement or cash flow models, by affecting costs, revenues, and business growth assumptions (i.e. in the estimation of a company’s fundamental value). Integrated analysis for active bond-picking and other debt funds involves analysing how ESG issues can affect an issuer’s creditworthiness. This type of analysis can also be used by funds that pick bond issuers using quantitative modelling. Integrated analysis for both equities and debt includes an assessment of a company’s quality of management and the business risks and opportunities it faces related to ESG issues, allowing comparisons between companies.  For examples of how investors are conducting integrated analysis for listed equities, see [*Integrated Analysis: How Investors Are Addressing Environmental, Social and Governance Factors in Fundamental Equity Valuation*](http://d2m27378y09r06.cloudfront.net/viewer/?file=wp-content/uploads/Integrated_Analysis_2013.pdf), published by the PRI in February 2013. |
| Combined approaches | Combined approaches might include:   * Establishing a sustainable agriculture thematic fund that screens out companies involved in producing tobacco and uses integrated analysis to select companies for inclusion in the fund. * Running a fund that applies 20 negative screens to determine the investible universe and uses integrated analysis to select companies for investment from within the investible universe. * Running a global equities fund using integrated analysis to select stocks combined with a norms-based approach, investigating any serious alleged breaches of selected international norms and divesting companies found to be in serious breach of a norm (often after engagement). |

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| Further Explanation Of Definitions For Passive Strategies | |
| Screening | Screening may include the use of indices constructed from an eligible universe based on the ESG characteristics of a company or country, but in which ESG issues do not play a part in the weighting of those companies or countries within the index. This may include indices constructed using ESG best-in-class or positive selection methodologies which identify securities for index inclusion (e.g. FTSE4Good, Dow Jones sustainability and MSCI ESG indices) or indices that exclude particular companies or countries (e.g. on the basis of products or activities). Exclusions may also be activity-based (i.e. exclude securities on the basis of their industry or business activities, for example, tobacco or controversial weapon screens), or location-based (i.e. exclude securities from companies who operate in certain countries, or the sovereign debt from those countries). Alternatively, there may be norms-based exclusions (i.e. indices which exclude securities of issuers considered to have broken certain minimum standards of business conduct based on international norms, such as the UN Global Compact). |
| Thematic/ Sustainability themed investing | Sustainability themed investments cover passive funds investing in companies linked to specific themes (e.g. indices focused entirely on environmental and social themes such as clean technology, climate change, microfinance and impact investing). |
| Integration of ESG issues | Integration of ESG issues is typically through alternative weighted ESG indices in which constituent security weights take account of the ESG characteristics of the company or country. |

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|  | Indicator status | Purpose | Principle |
| SAM 06 | MANDATORY | CORE ASSESSED | PRI 1- 6 |

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| SAM 06 | INDICATOR | | | | |
| **SAM 06.1** | Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following: | | | | |
|  |  | **All assets** | **LE** | **FIC** | **FIG** |
| ***General*** | | | | |
| Review the manager’s responsible investment policies | ❑ | ❑ | ❑ | ❑ |
| Discuss managers’ governance and management of responsible investment activities | ❑ | ❑ | ❑ | ❑ |
| Meet staff with responsible investment responsibilities to assess their skills and competence | ❑ | ❑ | ❑ | ❑ |
| Discuss minimum responsible investment expectations that managers must meet | ❑ | ❑ | ❑ | ❑ |
| Discuss the role managers have played in collaborative initiatives | ❑ | ❑ | ❑ | ❑ |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s responsible investment reporting to clients and/or the public, including PRI reporting | ❑ | ❑ | ❑ | ❑ |
| Discuss the type of ESG reporting you expect | ❑ | ❑ | ❑ | ❑ |
| Assign specific weighting to ESG factors in your manager evaluation | ❑ | ❑ | ❑ | ❑ |
| Other general aspects in your selection process,  specify\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***ESG incorporation*** | | | | |
| Evaluate the quality and coverage of ESG research used by managers | ❑ | ❑ | ❑ | ❑ |
| Assess how the manager incentivises brokers to provide ESG research | ❑ | ❑ | n/a | n/a |
| Assess managers’ ESG incorporation strategies and ability to identify and manage ESG issues | ❑ | ❑ | ❑ | ❑ |
|  | Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance | ❑ | ❑ | ❑ | ❑ |
|  | Evaluate index providers’ ESG incorporation when designing the index | ❑ | ❑ | ❑ | ❑ |
| Other ESG incorporation issues in your selection process, specify\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Engagements*** | | | | |
| Discuss the managers’ engagement processes | ❑ | ❑ | ❑ | n/a |
| Discuss the role managers have played in influencing companies’ ESG practices and performance | ❑ | ❑ | ❑ | n/a |
| Discuss how information gained though engagement is incorporated into investment decision-making | ❑ | ❑ | ❑ | n/a |
| Other engagement issues in your selection process,  specify\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | n/a |
| ***(Proxy) voting*** | | | | |
| Discuss the managers’ voting processes | ❑ | ❑ | n/a | n/a |
| Discuss how information gained through research for (proxy) voting is used in investment-decision making | ❑ | ❑ | n/a | n/a |
| Other (proxy) voting issues in your selection process,  specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | n/a | n/a |
| None of the above | ❑ | ❑ | n/a | n/a |
| **SAM 06.2** | Provide additional information relevant to your organisation's selection approach for listed assets.  [Optional] | | | | |
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| SAM 06 | **EXPLANATORY NOTES** |
| **SAM 06** | This indicator seeks information about the typical processes in place and actions taken by your organisation during manager selection (even if managers have not been selected or reappointed during the reporting year). If these processes are implemented only in a minority of cases, do not report them here in the pre-selected options, but do describe these cases in the Additional Information field at the end of this indicator. |
| **SAM 06.1** | Here is some further guidance on some of the processes your selection may cover:  **ESG Incorporation**  For examples of how asset owner signatories are incorporating ESG considerations into their selection, appointment and monitoring of external managers, see [*Aligning Expectations: Guidance for asset owners on incorporating ESG factors into manager selection, appointment and monitoring*](http://www.unpri.org/wp-content/uploads/Aligning_Expectations_2013.pdf), by the PRI, February 2013.  **Disclosure**  Examples of managers’ responsible investment disclosure could include client reports, public RI reports, evidence of commitment to relevant responsible investment codes, principles or initiatives such as the UK, EU and South African Stewardship codes and the PRI (response to Reporting Framework). |
| **SAM 06.2** | This may include a discussion of, for example, any differences between mandates, strategies or markets. |

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| **LOGIC** | |
| **SAM 06** | The **General** part of this indicator will be applicable if you report ‘Selection’ for the relevant asset class in [03].  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [05.1], for one or more asset classes.  Within this part of the indicator, option ‘Assess how the manager incentivises brokers to provide ESG research’ is only applicable if you reported ‘Active – Fundamental or other active’ in [04]. Option ‘Evaluate index providers’ ESG incorporation when designing the index’ is only applicable if you reported ‘Passive’ in [04] and in [05] that you incorporate ESG issues for any applicable listed asset class.  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [05.2], for Listed Equity and/or Fixed Income – corporate.  Within this part of the indicator, the option ‘Discuss how information gained though engagement is incorporated into investment decision-making’ is applicable if you reported ‘Active – Fundamental or other active’ in [04].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [05.3].  Within this part of the indicator, option ‘Discuss how information gained through research for (proxy) voting is used in investment-decision making’ is applicable if you reported ‘Active – Fundamental or other active’ in [04] for Listed Equity. |
| **ASSESSMENT** | |
| **SAM 06** | Maximum score: 12★ for listed equity, 9★ corporate fixed income and 6★ for government fixed income.  The assessment of this indicator is based on your responses to [06.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘ESG incorporation, Engagements and (proxy) voting’ sections (where applicable – see logic above) will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 07 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 4 |

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| SAM 07 | INDICATOR | | | | |
| **SAM 07.1** | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets: | | | | |
|  |  | **All assets** | **LE** | **FIC** | **FIG** |
| ***General*** | | | | |
| Acting in accordance with your organisation’s overall investment beliefs or policy on responsible investment and ESG issues | ❑ | ❑ | ❑ | ❑ |
| Other general RI considerations in investment management agreements, specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***ESG incorporation*** | | | | |
| Specific requirements relating to the incorporation of ESG issues into investment decision-making | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to ESG incorporation in investment management agreements, specify\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Engagement*** | | | | |
| Specific requirements relating to engagement | ❑ | ❑ | ❑ | n/a |
| Other RI considerations relating to engagement in investment management agreements, specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | n/a |
| ***(Proxy) voting*** | | | | |
| Specific requirements relating to (proxy) voting | ❑ | ❑ | n/a | n/a |
| Other RI considerations relating to (proxy) voting in investment management agreements, specify\_\_\_\_\_\_ | ❑ | ❑ | n/a | n/a |
| ***Reporting*** | | | | |
| Reporting on the agreed responsible investment activities | ❑ | ❑ | ❑ | ❑ |
| Reporting on the ESG characteristics of the portfolio | ❑ | ❑ | ❑ | ❑ |
| Reporting on the impact of ESG issues on financial performance | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to reporting in investment management agreements, specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ |
| **SAM 07.2** | Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets. | | | | |
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| SAM 07 | **EXPLANATORY NOTES** |
| **SAM 07.1** | See [*Aligning Expectations: Guidance for asset owners on incorporating ESG factors into manager selection, appointment and monitoring*](http://www.unpri.org/wp-content/uploads/Aligning_Expectations_2013.pdf) for further examples of how asset owner signatories are incorporating ESG considerations into their selection, appointment and monitoring of external managers. |
| **SAM 07.2** | This may include a discussion of, for example:   * Whether your contract requirements relate to exclusion, norm-based screening or the financial implications of ESG issues * Whether you link investment management fees to ESG issues or have break/renegotiation clauses linked to ESG issues * The percentage of contracts where ESG issues are included * The challenges you have encountered in addressing ESG issues in contracts/investment mandates. |
| **LOGIC** | |
| **SAM 07** | This indicator will be applicable if you report ‘Appointment’ for the relevant asset class in [03]. The **General** and **Reporting** parts of this indicator will always be applicable.  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [05.1].  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [05.2].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [05.3]. |
| **ASSESSMENT** | |
| **SAM 07** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [07.1].  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 08 | MANDATORY | CORE ASSESSED | PRI 1 |

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| SAM 08 | INDICATOR | | | | |
| **SAM 08.1** | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following: | | | | |
|  |  | **All assets** | **LE** | **FIC** | **FIG** |
| ***General*** | | | | |
| Include responsible investment as a standard agenda item at performance review meetings | ❑ | ❑ | ❑ | ❑ |
| Highlight examples of good responsible investment practice by other managers | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s responsible investment reporting, for example PRI-generated responsible investment reports | ❑ | ❑ | ❑ | ❑ |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | ❑ | ❑ | ❑ | ❑ |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | ❑ | ❑ | ❑ | ❑ |
| Request information on whether your manager’s approach to ESG issues has impacted financial performance | ❑ | ❑ | ❑ | ❑ |
| Request information on whether your manager’s approach to ESG issues has impacted risk or volatility | ❑ | ❑ | ❑ | ❑ |
| Request information on whether your manager’s approach to ESG issues has impacted ESG performance | ❑ | ❑ | ❑ | ❑ |
| Other general aspects of your monitoring, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***ESG incorporation*** | | | | |
| Request information on ESG incorporation in specific investment decisions | ❑ | ❑ | ❑ | ❑ |
| Other ways you monitor ESG incorporation, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Engagements*** | | | | |
| Review the ESG information relevant to the engagements | ❑ | ❑ | ❑ | n/a |
| Discuss the number of engagements and their comprehensiveness | ❑ | ❑ | ❑ | n/a |
| Discuss the type of role played (i.e. leading or supporting) | ❑ | ❑ | ❑ | n/a |
| Review the progress of ongoing engagements and/or outcomes of completed engagements | ❑ | ❑ | ❑ | n/a |
| Other ways you monitor engagement activities, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | n/a |
| ***(Proxy) voting*** | | | | |
| Review the number or percentage of votes cast | ❑ | ❑ | n/a | n/a |
| Request an explanation of reasons for votes cast | ❑ | ❑ | n/a | n/a |
| Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes | ❑ | ❑ | n/a | n/a |
| Review the number of resolutions on ESG issues filed or co-filed | ❑ | ❑ | n/a | n/a |
|  | Discuss the changes in company practice (outcomes) that have been achieved from voting activities | ❑ | ❑ | n/a | n/a |
| Other ways you monitor (proxy) voting activities, specify\_\_\_\_\_\_\_ | ❑ | ❑ | n/a | n/a |
| None of the above | ❑ | ❑ | n/a | n/a |
| **SAM 08.2** | Provide additional information relevant to your organisation's dialogue and monitoring of external managers.  [Optional] | | | | |
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| SAM 08 | **EXPLANATORY NOTES** |
| **SAM 08** | You may wish to comment on variations in the reporting provided by your managers and on the reasons for these variations (e.g. does it reflect their contractual obligations, is it a function of asset class or the types of investment being made).  *Reporting on ESG impacts on financial performance, risk/volatility or ESG performance*  These options aim to capture whether you require your external manager to measure impact, positive or negative, of incorporating ESG issues into investment decision making. Use the ‘additional information’ field to provide further details, such as the outcomes of these discussions, if appropriate.  If you require your external managers to undertake carbon portfolio monitoring, you are strongly encouraged to report this using the ‘additional information’ field. |

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| **LOGIC** | |
| **SAM 08** | This indicator will be applicable if you report ‘Monitoring’ for the relevant asset class in [03]. The **General** part of this indicator will always be applicable.  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [05.1].  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [05.2].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [05.3].  If you report ‘Review the number or percentage of votes cast’ in the (proxy) voting part of this indicator, [09] will be applicable. |
| **ASSESSMENT** | |
| **SAM 08** | Maximum score: 12★ for listed equity, 9★ corporate fixed income and 6★ for government fixed income  The assessment of this indicator is based on your responses to [08.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘ESG incorporation, Engagements and (proxy) voting’ sections (where applicable – see logic above) will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 09 | MANDATORY | CORE ASSESSED | PRI 2 |

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| SAM 09 | INDICATOR | |
| **SAM 09.1** | For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year. | |
|  | **Votes cast (to the nearest 5%)** | **Specify the basis on which this percentage is calculated** |
| % | 🔾 Of the total number of ballot items on which they could have issued instructions  🔾 Of the total number of company meetings at which they could have voted  🔾 Of the total value of your listed equity holdings on which they could have voted |
| ❑ We do not collect this information | |
| **SAM 09.2** | Additional information.  [Optional] | |
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| SAM 09 | **EXPLANATORY NOTES** |
| **SAM 09.1** | When calculating the percentage of votes cast, please include only those holdings for which you have a given external managers the mandate to vote. |
| **SAM 09.2** | *Variations in reporting*  You may wish to comment on variations in the reporting provided by your investment managers and on the reasons for these variations.  *Reasons why managers choose not to vote:*  You may wish to comment on a variety of reasons why managers choose not to vote, including:   * Strategic decision not to vote on certain types of assets or funds * Operational or timing constraints * Share-blocking * Conflicts of interest * Administrative impediments (e.g. power of attorney requirements) * Voting fees * Geographical restrictions (non-home market) * Insufficient information * Overall cost effectiveness |
| **LOGIC** | |
| **SAM 09** | This indicator will be applicable if you report ‘Review the number or percentage of votes cast’ in [08.1]. |
| **ASSESSMENT** | |
| **SAM 09** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [09.1]. |

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| SECTION |
| Private equity (PE), Property (PR), Infrastructure (INF) – non-listed assets |

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|  | Indicator status | Purpose | Principle |
| SAM 10 | MANDATORY | CORE ASSESSED | PRI 1 - 6 |

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| SAM 10 | INDICATOR | | | | |
| **SAM 10.1** | In your manager selection process for the following assets, indicate if your organisation, and/or your investment consultant, typically: | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Review the manager’s/general partner’s responsible investment policy | ❑ | ❑ | ❑ | ❑ |
| Discuss the manager’s governance and management of responsible investment | ❑ | ❑ | ❑ | ❑ |
| Meet staff with responsible investment responsibilities to assess their skills and competence | ❑ | ❑ | ❑ | ❑ |
| Discuss minimum responsible investment expectations that managers must meet | ❑ | ❑ | ❑ | ❑ |
| Discuss the role managers have played in collaborative initiatives | ❑ | ❑ | ❑ | ❑ |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations | ❑ | ❑ | ❑ | ❑ |
| Assess the external manager’s reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s responsible investment disclosure, including PRI reporting | ❑ | ❑ | ❑ | ❑ |
| Assign specific weighting to ESG factors in your manager evaluation | ❑ | ❑ | ❑ | ❑ |
| Other general aspects in your selection process,  specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment | ❑ | ❑ | ❑ | ❑ |
| Other pre-investment aspects reviewed in your selection process, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Understand if and how the manager influences and supports its portfolio companies’/assets’ management of ESG-related risks and pursuit of ESG-related opportunities | ❑ | ❑ | ❑ | ❑ |
| Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis | ❑ | ❑ | ❑ | ❑ |
| Assess the manager’s/general partner’s approach to managing and disclosing material incidents at the manager/General Partner and underlying holdings | ❑ | ❑ | ❑ | ❑ |
| Other post-investment aspects reviewed in your selection process, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ |
| **SAM 10.2** | Provide additional information relevant to your organisation's selection approach for non-listed assets.  [Optional] | | | | |
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| SAM 10 | **EXPLANATORY NOTES** |
| **SAM 10** | This indicator seeks information about the typical processes in place and actions taken by your organisation in manager selection (even if managers have not been selected or reappointed during the reporting year). If these processes are implemented only in a minority of cases, do not report them here in the pre-selected options, but do describe these cases in the Additional Information field at the end of this indicator  This section (PE, PR, INF – non-listed assets) is broadly consistent and complementary to the [ESG Disclosure Framework](https://www.estoolkit.com/DisplayFile.aspx?fileGuid=698b74b6-7fb4-40e7-a886-8a9701b5cdb2) for private equity. The ESG Disclosure Framework helps General Partners (GPs) better understand why Limited Partners (LPs) want ESG-related information, and to help rationalise the types of information that LPs are asking GPs about ESG issues. Given the broad similarities in the manager selection processes for private equity, property and infrastructure, the Private Equity ESG Disclosure Framework is used here for all three unlisted asset classes. |
| **SAM 10.2** | This may include a discussion of:   * Other aspects of your process * Whether you consider some of the above to be of greater or lesser importance (or relevant/not relevant) * How your approach varies, if at all, between asset classes and geographies   If appropriate, please also comment on whether you are willing to select a manager that does not currently meet all your ESG-related expectations but is committed to improvements after appointment. |
| **LOGIC** | |
| **SAM 10** | This indicator will be applicable if you report ‘selection’ for the relevant asset class(es) in [03]. |
| **ASSESSMENT** | |
| **SAM 10** | Maximum score: Nine ★ per asset class  The assessment of this indicator is based on your responses to [10.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘investment selection’ and ‘investment monitoring’ sections will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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

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|  | Indicator status | Purpose | Principle |
| SAM 11 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 4 |

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| SAM 11 | INDICATOR | | | | |
| **SAM 11.1** | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets: | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Acting in accordance with your organisation’s overall investment beliefs or policy on responsible investment and ESG issues | ❑ | ❑ | ❑ | ❑ |
| Other general RI considerations in your agreements, specify \_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Specific requirements relating to how ESG issues are identified and managed in investment decision-making | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to investment selection in your agreements, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Specific requirements relating to the manager supporting or influencing the underlying holdings’ management of ESG factors | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to investment monitoring in your agreements, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Reporting*** | | | | |
| Reporting on the agreed ESG implementation activities | ❑ | ❑ | ❑ | ❑ |
| Reporting on the ESG characteristics of the portfolio | ❑ | ❑ | ❑ | ❑ |
| Reporting on company incidents relating to ESG issues | ❑ | ❑ | ❑ | ❑ |
| Reporting on the impact of ESG issues on financial performance | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to reporting in your agreements, specify \_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| **SAM 11.2** | Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets. | | | | |
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| SAM 11 | **EXPLANATORY NOTES** |
| **SAM 11.1** | Agreement can for example refer to Limited Partnership Agreements (LPAs). |
| **SAM 11.2** | This may include a discussion of:   * Whether your contract requirements relate to specific ESG incorporation strategies (screening, integration, etc.) * Whether you link investment management fees to ESG issues or have break/renegotiation clauses linked to ESG issues * Where managers have substantial operational control over portfolio companies/assets your organisation expects them to operate in accordance with your ESG guidelines (or similar) * The percentage of contracts (overall or by asset class) where ESG issues are included, or * The challenges you have encountered in addressing ESG issues in contracts/investment mandates. |
| **LOGIC** | |
| **SAM 11** | This indicator will be applicable if you report ‘Appointment’ for the relevant asset class(es) in [03]. |
| **ASSESSMENT** | |
| **SAM 11** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [11.1].  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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

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|  | Indicator status | Purpose | Principle |
| SAM 12 | MANDATORY | CORE ASSESSED | PRI 1 - 6 |

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| SAM 12 | INDICATOR | | | | |
| **SAM 12.1** | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following: | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Include responsible investment as a standard agenda item at performance review meetings | ❑ | ❑ | ❑ | ❑ |
| Highlight examples of good responsible investment practice by other managers | ❑ | ❑ | ❑ | ❑ |
| Review manager’s responsible investment reporting, for example PRI-generated responsible investment reports | ❑ | ❑ | ❑ | ❑ |
| Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors | ❑ | ❑ | ❑ | ❑ |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | ❑ | ❑ | ❑ | ❑ |
| Request information on whether your manager’s approach to ESG issues has impacted financial performance | ❑ | ❑ | ❑ | ❑ |
| Request information on whether your manager’s approach to ESG issues has impacted ESG performance | ❑ | ❑ | ❑ | ❑ |
| Other general aspects of your monitoring, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Discuss how the analysis of ESG issues affected investment decisions during the reporting period | ❑ | ❑ | ❑ | ❑ |
| Other ways ESG issues are incorporated in the pre-investment process, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Request reports on the ESG characteristics of the manager’s underlying holdings and discuss related developments that may impact holdings in the fund | ❑ | ❑ | ❑ | ❑ |
| Request examples of ESG issues identified within the portfolio and action taken in response | ❑ | ❑ | ❑ | ❑ |
| Request details of how ESG factors were considered when preparing to exit from investments | ❑ | ❑ | ❑ | ❑ |
| Other ways ESG issues are monitored in the post-investment process, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ |
| **SAM 12.2** | Provide any additional information relevant to your organisation's dialogue and monitoring of external managers.  [Optional] | | | | |
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| SAM 12 | **EXPLANATORY NOTES** |
| **SAM 12.1** | ESG disclosure during life of fund - including incident reporting and explanation of how incidents have been managed.  **Reporting on ESG impacts on financial performance or ESG performance**  These options aim to capture whether you require your external manager to measure impact, positive or negative, of incorporating ESG issues into investment decision making. |
| **LOGIC** | |
| **SAM 12** | This indicator will be applicable if you report ‘Monitoring’ for the relevant asset class(es) in [03]. |
| **ASSESSMENT** | |
| **SAM 12** | Maximum score: Nine ★ per asset class  The assessment of this indicator is based on your responses to [12.1]. The ‘general section’ is applicable to everyone and is worth three ★ as part of your ‘core’ assessment. The ‘investment selection’ and ‘investment monitoring’ sections will each be worth three ★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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| SECTION |
| Other asset classes |

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|  | Indicator status | Purpose | Principle |
| SAM 13 | VOLUNTARY | DESCRIPTIVE | PRI 1 – 6 |

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| SAM 13 | INDICATOR | |
| **SAM 13.1** | Describe how your organisation, and/or your investment consultants, address responsible investment factors in manager selection, appointment and/or monitoring process for the following asset classes: | |
|  | Fixed income – other |  |
| Private debt |  |
| Commodities |  |
| Farmland |  |
| Forestry |  |
| Hedge funds |  |
| Cash |  |
| Other (1) |  |
| Other (2) |  |
| **SAM 13.2** | Additional information. | |
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| SAM 13 | **EXPLANATORY NOTES** |
| **SAM 13.1** | In this indicator you can report information on your approach to responsible investment in manager selection, appointment and/or monitoring in the asset classes shown. Closed-ended indicators have not yet been developed for these asset classes. |
| **LOGIC** | |
| **SAM 13** | This indicator will be applicable if you reported that you consider responsible investment issues in selecting, appointing or monitoring managers for any of the asset classes listed here at [03]. |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| SAM 14 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | DESCRIPTIVE | PRI 1- 6 |

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| SAM 14 | INDICATOR |
| **SAM 14.1** | Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories. |
|  | % |
| **SAM 14.2** | Additional information.  [Optional] |
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| SAM 14 | **EXPLANATORY NOTES** |
| **SAM 14.1** | These figures are used to reduce the scope for double counting of signatories’ AUM for the purposes of PRI public communication. There is no value judgement on this percentage and it will not be used as part of the scoring/assessment methodology. |

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|  | Indicator status | Purpose | Principle |
| SAM 15 | VOLUNTARY | DESCRIPTIVE | PRI 2 |

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| SAM 15 | INDICATOR | | | | |
| **SAM 15.1** | Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year. | | | | |
|  | **Topic or issue** | **Conducted by** | **Asset class** | **Scope and process** | **Outcomes** |
|  | * Internal staff * Investment consultants   [drop down] | * All * Applicable from SAM 03   [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] |  |  |
| **SAM 15.2** | Additional information. | | | | |
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| SAM 15 | **EXPLANATORY NOTES** |
| **SAM 15.1** | Organisations are not expected to provide the names/details of investment managers. Ideally, you should provide examples from the current reporting year but you are encouraged to report examples from previous years if you want to provide a balanced view on how ESG issues influence selection, appointment and/or monitoring processes or to highlight specific features of your approach. |
| **LOGIC** | |
| **SAM 15.1** | Applicable asset classes in the field ‘asset class’ will depend on your response(s) in [03]. |

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| **EXAMPLES** | | | | |
| **Topic or issue** | **Conducted by** | **Asset class** | **Scope and process** | **Outcomes** |
| Mining | Internal staff | Private Equity | In selecting a specialist PE mining investor, during due diligence we noted that the GP's ESG process did not address health and safety. We asked the GP to develop a policy and criteria on this issue. The GP refused to do so. | We therefore decided not to invest in the fund. |
| Human rights | Internal staff | Property | The manager of the fund did not have a policy to address the rights of communities relocated for property development. We requested the manager to develop a policy on this issue. | The manager developed a policy and we were able to invest in the fund. |

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| SECTION |
| Communication |

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|  | Indicator status | Purpose | Principle |
| SAM 16 | MANDATORY | CORE ASSESSED | PRI 6 |

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| SAM 16 | INDICATOR | | | |
| **SAM 16.1** | Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments. | | | |
|  | 🔾 Yes, we disclose information publicly, please provide URL:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  🔾 Yes, we disclose information to clients/beneficiaries only  🔾 We do not proactively disclose information to the public and/or clients/beneficiaries | | | |
| **SAM 16.2** | Indicate if the level of information you disclose to the public is the same as that disclosed to clients/beneficiaries. | | | |
|  | 🔾 Yes | | 🔾 No | |
| **SAM 16.3** | Indicate what type of information your organisation proactively discloses to the public and clients/beneficiaries about your indirect investments. | | | |
|  | **Public** | | **Clients/beneficiaries** |
| How responsible investment considerations are included in manager selection, appointment and monitoring processes | ❑ | | ❑ |
| Details of the responsible investment activities carried out by managers on your behalf | ❑ | | ❑ |
| E, S and/or G impacts and outcomes that have resulted from your managers’ investments and active ownership | ❑ | | ❑ |
| Other, specify\_\_\_\_\_\_\_\_\_ | ❑ | | ❑ |
| **SAM 16.4** | Additional information.  [Optional] | | | |
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| SAM 16 | **EXPLANATORY NOTES** |
| **SAM 16.1** | 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, deliberate 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. |
| **SAM 16.3** | Disclosure on how you are implementing responsible investments as a an indirect investor can be done in different forms. The options provided cover three main approaches you may be following:   * How RI is considered in selection, appointment and monitoring is primarily the type of information covered in this module of the reporting framework. If you proactively disclose the PRI reporting or other documentation on how you address ESG with external managers, you should select this first option. * Details of your external manager’s RI implementation: this may be more detailed information of what your external manager is doing. This could be describing their activities to the public or simply linking to external managers websites that provide details of how they implement different areas of RI. * Outcomes: these are the E, S and/or G impacts as a result of your manager’s activities (e.g. greenhouse gas emission reductions as a result of investment in wind and solar plants in an infrastructure fund, changes in a particular company’s waste water management as a result of engagement activities, impact of ESG issues on financial performance and how you managers identify links between ESG analysis and performance or risk mitigation.). |
| **SAM 16.4** | In relation to the information you provide, this could include:   * a summary of the votes that have been cast on your behalf * details of the engagement activities that have been conducted on your behalf (e.g. number of companies engaged with, the issues on which companies were engaged, the outcomes achieved) * discussion of how ESG issues have affected investment portfolios and their performance |
| **LOGIC** | |
| **SAM 16** | Within indicator:   * [16.2] is applicable if you report that your organisation proactively discloses information publicly in [16.1]. * [16.3] is applicable if you report in [16.1] that your organisation proactively discloses information publicly or to clients/beneficiaries only. If the information disclosed publicly and to clients/ beneficiaries is the same you will complete the information once. * If the information disclosed is not the same, [16.3] will contain two columns to enable you to report the different approaches. |
| **ASSESSMENT** | |
| **SAM 16** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [16.1] & [16.3]. |