

# PRI AWARDS 2019: CATEGORIES AND CRITERIA

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## ACTIVE OWNERSHIP PROJECT OF THE YEAR

### DESCRIPTION

Entries in this category could include collaborative engagements, individual engagements, shareholder resolutions or projects including multiple formats.

Judges will base their decision on the success of the project in achieving outcomes linked to the PRI's mission<sup>1</sup> of achieving a sustainable financial system. As part of this, judges will consider the scale and ambition of outcomes sought, the success of the project in achieving those outcomes, and the degree to which the project delivers for investors and for "the environment and society as a whole" rather than only for an individual company or portfolio. Other factors that can be considered include the degree of innovation and the success of collaboration.

Collaborative engagements that are coordinated solely by the PRI are not eligible for this award.

### ENTRY QUESTIONS

1. Give a brief overview of your project, its objectives, and why you decided to undertake it. Explain how your project contributes to achieving the PRI's mission. (400 words)
2. Describe the process of delivering the project, including any challenges and how these were overcome. (400 words)
3. Provide detail on the success of the project against its objectives, including commentary on how this success has been measured. What have you learned from this project that can be applied more broadly? (400 words)

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<sup>1</sup> Full text of the PRI's mission: "We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole."

The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation."

## JUDGING CRITERIA

### Impact (40 points available):

- To what degree does the project contribute to addressing a key issue or market failure that inhibits the achievement of the PRI's mission? (10)
- To what degree will the project deliver benefits for the environment and society as a whole, rather than for an individual investee entity or portfolio? (10)
- How ambitious were the project's goals? How big a change has resulted (or will result) from this project? (10)
- Can the project team demonstrate a measurable impact that is attributable to the project? (10)

### Innovation (20 points available):

- Is it clear what is new or unique about this project (for example in terms of objectives, methodology or results)? (10)
- To what extent has the problem this project sets out to solve not been (successfully) addressed elsewhere? (5)
- Is there evidence of advantages or benefits to this project that are not present in other similar projects (for example in terms of better outcomes or improved collaboration)? (5)

### Clarity of objective(s) (15 points available):

- Is there evidence of a clear rationale for why this project was conducted and what it was expected to achieve? (10)
- Did the project team have clearly defined measures or KPIs from inception, and is it clear how these related to the project's goals? (5)

### Implementation (6 points available):

- Is there evidence of a clear plan for delivering the project? (2)
- Is there evidence that the project team were able to be flexible and respond to challenges as they arose? (2)
- Has the project operated within its pre-defined constraints, such as timelines and budget? (2)

**Highest possible total score: 81 points**

## ESG INCORPORATION INITIATIVE OF THE YEAR

### DESCRIPTION

This award recognises the incorporation of one or more ESG factors into investment decision-making. The winner could be a new ESG tool, technique or product, and will most likely have broken new ground in the depth of analysis or the innovation of approach, or by addressing a challenging asset class or an issue whose materiality is difficult to quantify. Entrants should give real examples of how their approach has worked in practice by clearly demonstrating the impact on one or more securities, issuers, sectors, countries, asset classes, or portfolios (these can be anonymised) through valuations, investment performance and/or buy-in from investment professionals and senior management.

## ENTRY QUESTIONS

1. Give a brief overview of your innovative approach to ESG incorporation, its coverage within your firm and why you decided to undertake this approach. (400 words)
2. How does this approach stand out in the market? Why is it unique? (250 words)
3. Give a practical example of how you have applied your approach to an investment (security/issuer/sector/asset class/portfolio), including any challenges faced and how you adapted to them. (250 words)
4. What were the outcomes of this initiative for the investment and how have you measured its success? What have you learned from this approach that can be applied more broadly? (400 words)

## JUDGING CRITERIA

### **Innovation (20 points available):**

- Is it clear what is new or unique about this project (for example in terms of depth or breadth of scope, methodology or results)? (10)
- Is there evidence of advantages or benefits to this approach that are not present in other similar projects (for example in terms of better financial returns, lower risk, positive impact measurements or lower costs)? (10)

### **Implementation (24 points available):**

- Is there evidence of a systematic approach to gathering and analysing data and making decisions? (10)
- Is there evidence of multiple teams within the firm – e.g. ESG teams, investment teams, risk team, asset allocation team, senior management team – taking a role in the implementation of the initiative? (10)
- Is there evidence that the project team were able to be flexible and respond to challenges as they arose? (2)
- Has the project operated within its pre-defined constraints, such as timelines and budget? (2)

### **Clarity of objective(s) (15 points available):**

- Is there evidence of a clear rationale for why this project was conducted and what it was expected to achieve? (5)
- Is there evidence that the project's goals were made clear to all stakeholders from the point of inception, including senior management? (5)
- Did the project team have clearly defined measures or KPIs from inception, and is it clear how these related to the project's goals? (5)

### **Fulfilment of objective(s) (15 points available):**

- Is there evidence that this approach had an impact on financial risk or return? (5)
- How has the project performed against its measures or KPIs and to what extent has it met its goals? If the project is ongoing, is it on track? (5)
- Is it clear how lessons learnt from this project have been captured and are there mechanisms in place to factor these lessons into future project planning? (5)

**Impact (7 points available):**

- Is there evidence of social or environmental impacts as a result of the ESG incorporation project? (2)
- Is there evidence that the project team considered the project holistically, evaluating its potential negative environmental and social impacts as well as positive? (5)

**Highest possible total score: 81 points**

## ESG RESEARCH REPORT OF THE YEAR

### DESCRIPTION

This award will recognise a research report that has broken new ground in the development and dissemination of responsible investment approaches. In particular, the judges of the 2019 award will be looking for research that offers new and meaningful insights into the practical implications of macro trends (such as environmental challenges, society and demographics, globalisation and connectivity, emerging economy growth and dynamism, or technological advances<sup>2</sup>) for responsible investment. Entrants will be judged on the originality of their approach, rigour of the research process and potential impact of their findings.

Please note, this award will recognise research projects conducted by PRI signatories, i.e. investment practitioners. Academic research should be submitted for the [PRI award for outstanding research](#), organised by the PRI Academic Network.

### ENTRY QUESTIONS

1. Give a brief overview of your project's objectives and how your approach to the subject matter differed from previous research. (400 words)
2. Describe your methodology, including how you addressed macro trends and mechanisms for effecting systemic change. (400 words)
3. Outline how your findings have been applied in a practical context and their wider benefits for investors or the financial system. (400 words)

### JUDGING CRITERIA

**Impact (40 points available)**

- To what extent does this project demonstrate new, meaningful insights into the impact of macro trends on the financial system? (10)
- Does the entry provide examples of how the findings of this project have played a material role in creating a more sustainable financial system? (10)
- How broad is the impact of this report beyond the entrant organisation(s)? Is it clear how other investors will be able to apply its findings? (10)
- Is it clear how lessons learnt from this project have been captured and how these can be applied to future work? (10)

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<sup>2</sup> As defined in Responding to megatrends: PRI and Willis Towers Watson Investment Institutions Trend Index 2017 (<https://www.unpri.org/download?ac=4078>)

### **Innovation (25 points available)**

- Does the project make a substantial contribution to advancing knowledge or understanding of the relevant field with the identified audience? (10)
- Is it clear what is new or unique about this project, and how significant are these differences in terms of the project's outcomes or applications? (10)
- Is there evidence of a clear rationale for why this project was conducted and what it was expected to achieve? (5)

### **Research Process (30 points available)**

- Has the entrant demonstrated a clear understanding of the body of related knowledge, and where their project sits in relation to it? (5)
- Is it clear from the entry what processes or methodologies were used in conducting the research, such that they could be applied by another investor? (10)
- Are these processes or methodologies sufficiently rigorous to generate meaningful outcomes? (10)
- To what extent has the project achieved its stated objectives? (5)

**Highest possible total score: 95 points**

## **REAL WORLD IMPACT INVESTMENT INITIATIVE OF THE YEAR**

### **DESCRIPTION**

This award will be given to a signatory who has focused their investment activities on specific environmental or social impacts, for example by identifying new low carbon investment opportunities, or by aligning their investments with one or more Sustainable Development Goals. The winner will have identified clear objectives for their project and will be able to demonstrate substantive progress towards achieving these. Entrants may find the work of the Impact Management Project (IMP)<sup>3</sup> useful in defining and measuring the impact of their investments.

### **ENTRY QUESTIONS**

1. Give a brief overview of your project, its objectives, and why you decided to undertake it. (400 words)
2. Please describe the scale of the project, financially and in impact terms. (250 words)
3. Describe the process of delivering the project, including any challenges and how these were overcome. (300 words)
4. How successful has the project been and how have you measured this? What have you learned from this project that can be applied more broadly? (400 words)

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<sup>3</sup> Further information is available at <https://impactmanagementproject.com/>

## JUDGING CRITERIA

### Impact (35 points available):

- How big a change has resulted (will result) from this project? How ambitious were the project's goals? (10)
- Is there evidence that the project team considered the project holistically, evaluating its potential negative impacts as well as positive? (10)
- Can the project team demonstrate a measurable impact that is attributable to the project? (10)
- To what extent does the investment contribute to solutions (as defined by the IMP)? How long term is the impact and how many people does it reach? (5)

### Innovation (20 points available):

- Is it clear what is new or unique about this project (for example in terms of objectives, methodology or results)? (5)
- To what extent has the problem this project sets out to solve not been (successfully) addressed elsewhere? (5)
- Is there evidence of advantages or benefits to this project that are not present in other similar projects (for example in terms of better outcomes, lower risk or lower costs)? (10)

### Clarity of objective(s) (14 points available):

- Is it clear that this project was launched with the intention to generate positive social and/or environmental impact? (5)
- Is it clear why and how this particular project and its resulting impact were selected, and that there was a need for this investment? (5)
- Is there evidence that the project's goals were made clear to all stakeholders from the point of inception? (2)
- Did the project team have clearly defined measures or KPIs from inception, and is it clear how these related to the project's goals? (2)

### Fulfilment of objectives (20 points available):

- How has the project performed against its measures or KPIs and to what extent has it met its goals? If the project is ongoing, is it on track? (10)
- Is it clear how lessons learnt from this project have been captured and are there mechanisms in place to factor these lessons into future project planning? (5)
- To what extent does the investment tie impact returns to carry, financial returns or employee incentives? (5)

### Implementation (6 points available):

- Is there evidence of a clear plan for delivering the project? (2)
- Has the project operated within its pre-defined constraints, such as timelines and budget? (2)
- Is there evidence that the project team were able to be flexible and respond to challenges as they arose? (2)

**Highest possible total score: 95 points**