

[PRI Awards 2021: categories and criteria](#)

STEWARDSHIP INITIATIVE OF THE YEAR

DESCRIPTION

Entries in this category could include collaborative engagement initiatives, shareholder resolutions, public policy engagements or projects using other [stewardship tools/activities](#).

Judges will base their decision on the alignment of the project with PRI's framework for leadership in stewardship; [Active Ownership 2.0](#). Each will be assessed based on the degree to which they use all available tools to seek real world outcomes, the degree to which they seek to address a systemic sustainability issue (i.e. a common goal) and the degree to which they use collaboration between investors and with other stakeholders as a vehicle to achieving progress.

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

Collaborative initiatives in any form must be submitted for the initiative overall, rather than for the contributions of one (or a subset of) participant(s).

Submissions must either have the sign off of all signatories participating in the initiative or a suitable governance body for the initiative (e.g. a steering committee).

ENTRY QUESTIONS

1. Give a brief overview of your initiative, its objectives, and why you decided to undertake it. (Max. 400 words)

2. Describe how your initiative is aligned to Active Ownership 2.0, including:

- The significance of the systemic, real world outcomes it seeks
- How the initiative uses a variety or combination of stewardship tools/activities to achieve outcomes
- The theory of change for the initiative (making clear how the initiative intends to drive real world outcomes through use of the selected tools/activities)
- The ambition, ingenuity and/or effort of the initiative
- How collaboration was used to drive outcomes
- Any challenges associated with the initiative and how these were overcome

(Max. 1000 words)

3. The results achieved in the initiative to date, including evaluation of its success against the objectives; any adjustments to plans going forward; any insights learned from this project that can be applied more broadly? (Max. 400 words)

JUDGING CRITERIA

Impact (20 points available):

- Does the initiative clearly address a systemic sustainability issue? How credible, necessary and sufficient is the initiative and its theory of change in the context of the issue being addressed? (20)

Objectives (15 points available):

- Does the initiative evidence genuine commitment to the achievement of outcomes (vs display of outcomes), e.g. a use of a variety of stewardship tools/activities and a clear escalation pathway if early-stage milestones are not achieved? (15)

Collaboration (15 points available):

- How was collaboration used to amplify the ambition, effectiveness or results? (10)
- Were affected groups or other non-investor stakeholders active and empowered participants in the initiative? (5)

Highest possible total score: 50 points

REAL WORLD IMPACT INITIATIVE OF THE YEAR

DESCRIPTION

This award will be given to a signatory who has sought to achieve [real world impact](#) by setting targets to shape sustainability outcomes. Each signatory will be assessed based on the policies and targets they use to shape sustainability outcomes, the degree to which they use all available levers available to investors to increase the positive, and decrease negative real world outcomes, and how they use collaboration between investors and with other stakeholders as a way to achieve progress. The winner will have set real-world outcome targets for their portfolio or a fund (not just for a single investee), used a range of levers to achieve impact, and will be able to demonstrate how they are monitoring progress towards achieving their goals.

ENTRY QUESTIONS

1. Give an overview of your sustainability outcome targets and explaining the methodology for establishing them. This should include information on:
 - The sustainability outcomes, positive or negative, that you are seeking to shape
 - The specific targets you have set, and relevant related policies you have established to implement action on sustainability outcomes
 - Any additional context relevant information – that have influenced your choice of sustainability outcomes and targets – including links to [global goals and thresholds](#)
 - % of AUM to which these targets apply

(Max. 800 words)

2. Explain how you have sought to shape sustainability outcomes through investment allocations, stewardship of investees and/or engagement with policy makers and key stakeholders. This should include information on:
 - Which levers you have used to achieve your targets, and why you have chosen them
 - If and how you are working collectively with other investors or collaboratively with other stakeholders to achieve your targets

(Max. 600 words)

3. Describe how you are tracking performance against your sustainability outcomes targets (short, medium and longer term). Include details of any progress achieved to date, any lessons learned, and how strategies or implementation approaches have shifted as a result of experience thus far.

(Max. 600 words)

JUDGING CRITERIA

Target setting (40 points available):

- Explains whether the organisation derived their targets from global or regional goals such as the SDG goals and targets, Paris Agreement, EU taxonomy etc. and translated them to their local context. Alternatively, explains why they have set the targets independently from global goals. (10 points)
- Targets include reducing potential negative outcomes and/or increasing positive outcomes; (10 points)
- For each sustainability outcome target, provides a brief description and list the metrics or key performance indicators (KPIs) associated with them, the target deadlines and the percentage of assets under management to which the targets apply (15 points)
- The methodology for establishing the targets provide an indication that the organisation has analysed systemic sustainability issues taking into consideration global and local contexts (5 points)

Creating Impact (30 points available)

- Explains how the organisation has sought to achieve the [sustainability outcome target](#) through any or a combination of (20 points):
 - a) Investment allocations
 - b) Stewardship of investees
 - c) Engagement with policy makers and key stakeholders
- Explains whether and how the organisation works collectively or collaboratively with other stakeholders in the financial system (e.g. with other investors, banks, credit rating agencies, multilateral institutions) or other areas (e.g. corporates, academics, governments, NGOs) (10 points)

Monitoring progress (30 points available):

- Explains how the organisation tracks intermediate performance and progress against the sustainability outcomes targets set (10 points)
- Describes any qualitative or quantitative progress achieved so far against the sustainability outcomes targets. (10 points)
- Insights provided on any lessons learnt, including any adjustments to plans going forward, what happens in the event that the targets are not met, as well as any learnings that can be applied broadly (10 points)

Highest possible total score: 100 points

ESG INCORPORATION INITIATIVE OF THE YEAR

DESCRIPTION

For the PRI, ESG incorporation is the assessment, review and consideration of ESG factors in existing investment practices through a combination of three approaches: integration, screening, and thematic investing. ESG incorporation generally functions alongside—or in combination with—stewardship or active ownership.

This award recognises leading practice in ESG incorporation. The winner could be a new ESG tool, technique, practice, process or product that will have broken new ground in the incorporation of ESG factors into portfolio construction or asset selection or in a particular asset class or across multi asset portfolios. This could cover approaches on integration, screening or thematic investing (see [definitions here for further guidance](#)). The entrants should give a practical example of how their approach has been integrated into practice by demonstrating how this process has changed portfolio construction, asset allocation or asset selection.

ENTRY QUESTIONS

- 1. Introduction:** provide a short overview of the practice, process or product that is being proposed for the award (200 words)
- 2. Process, practice or tool:** Provide a description of the innovative approach to ESG incorporation, its coverage within your firm, why you decided to undertake this approach and the value it provided preferably using a practical example of how you have applied your approach to an investment (security/issuer/sector/asset class/portfolio) (600 words).
- 3. Outcomes, benefits, challenges and next steps:** provide an example of the outcomes, outline the benefits and challenges associated with the introduction of this initiative and what you have learned from this approach that can be applied more broadly. How might you intend to develop the process or practice? (500 words)

JUDGING CRITERIA

Process, practice or tool (50 points available)

- Is the process, practice or tool clearly described and the reason for introducing the innovation clearly explained? (10 points)
- Does the process, practice or tool improve the organisation's ability to incorporate ESG factors into investment decision making in innovative and different ways? (30 points)
- Has the approach been applied across a wide range of asset types? (security/issuer/sector/asset class/portfolio) (10 points)

Outcomes, benefits, challenges and next steps (60 points available)

- Has the applicant clearly outlined how the process has added value to asset selection, portfolio construction and/or risk management? (20 points)
- Have the results / benefits of this process been clearly outlined and quantified? (20 points)
- Has the applicant clearly outlined the challenges to introducing this new process, practice or tool? (10 points)
- Has the applicant clearly outlined how the process might be improved or the next steps the applicant is considering in developing this specific process? (10 points)

Total available: 110 points

ESG RESEARCH INNOVATION OF THE YEAR

DESCRIPTION

This award will recognise an innovation in ESG research. This could be a standalone research report that offers new and meaningful insights into integration of an ESG issue into an investment decision, valuation or analysis of an asset, sector or asset class. Issues could be idiosyncratic or systemic and be applied to a single or multiple asset classes. It might also be an innovation in the way your organisation utilises, disseminates or consumes ESG research, data or information for investment decision making or responding to regulatory changes such as the EU Taxonomy.

Academic research should be submitted separately for the PRI award for outstanding research, organised by the PRI Academic Network.

Entrants will be judged on the originality of their approach, rigour of the research process and potential impact of their findings.

ENTRY QUESTIONS

1. **Introduction:** provide a short overview of the research innovation being proposed for the award (200 words)

2. **Research innovation:** Provide a description of the research innovation or report your organisation has introduced or published, and why you decided to undertake this approach (500 words)

3. **Outcomes, benefits, challenges and next steps:** provide an outline as to:
 - a. why you believe the report, process or approach is different and the aspects you believe are innovative;
 - b. the value this approach has provided or a summary of the key conclusions;
 - c. what you have learned from this approach or report that can be applied more broadly. (600 words)

JUDGING CRITERIA

Introduction and research innovation (20 points available)

- Is the research report or innovation (this could be a tool, process or distribution mechanism) clearly described? (10 points)
- Is the problem being addressed by the research innovation clearly described/outlined? (10 points)

Outcomes, benefits, challenges and next steps (60 points available)

- Does the content of the report provide a new and different insight into integration of an ESG issue into an investment decision, valuation process or analysis of an asset, sector or asset class? If the innovation is not a specific report, does the innovation help investors come to new or different insights into the integration of ESG issues into investment decision making? (30 points)
- Are the key conclusions, actions or implications for an investment process clearly outlined? Has quantifiable evidence of these findings been provided? (20 points)
- Has the applicant clearly outlined what they have learned from this process and how this might be applied to other decisions, processes or asset classes in the future? (10 points)

Total available: 80 points