

PRI REPORTING FRAMEWORK 2017

Indirect — Manager Selection, Appointment and Monitoring

November 2016

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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 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 is related.

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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 account for 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 explanatory notes and definitions with 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:** Role of investment consultants/fiduciary managers

**SAM 02:** RI consderations in selection, appointment and monitoring across asset classes

**SAM 11:** Percentage of externally managed assets managed by PRI signatories

**SAM 12:** Examples of ESG factors in selection, appointment and monitoring processes

**SAM 13:** Disclosure of RI considerations

**SAM End**: Module confirmation page

**SAM 10:** Percentage of (proxy) votes cast

**SAM 04**: ESG incorporation strategies

**SAM 03:** Breakdown of passive, active quant and active fundamental

**SAM 05:** Selection processes

If ESG factors in selection process

**SAM 06:** Evaluating engagement and voting practices in manager selection

**SAM 08:** Monitoring processes

External managers do (proxy) voting

External managers do engagement and (proxy) voting

External managers do engagement and (proxy) voting

**SAM 09:** Monitoring on active ownership

If ESG factors in appointment process

If ESG factors in monitoring process

**SAM 07:** Appointment processes

Listed Equity/Fixed Income

**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 own or their asset consultant’s responsible investment activities here.

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

* one for equity and debt asset classes for which there is a direct module in the Reporting Framework, i.e., listed equities (LE), fixed income SSA, corporate (financial), corporate (non-financial) and fixed income securitised;
* 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, fixed income SSA, corporate (financial), corporate (non-financial) fixed income and fixed income securitised. 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.

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](https://www.unpri.org/download_report/25290).

*\*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 SAM module has been redeveloped since the 2016 reporting cycle. Prefilling will therefore not be available.

The new module offers more targeted indicators to drive the following:

* asset owner (AO) movement from awareness of ESG considerations to creating impact via their managers and mandates, and incorporation of ESG characteristics into investment strategy;
* a shift from reliance on qualitative dialogue between AOs and investment managers (IMs) to quantified, positive ESG impact in AO-IM collaboration;
* a clearer link between the ESG position at a portfolio level and the impacts (such as return and risks);
* increased understanding of the role of asset consultants, and data capture on consultant selection practices in ESG context;
* signatory education on how AOs reward ESG incorporation and thus encourage improved practices.

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|  | Indicator status | Purpose | Principle |
| SAM 01 | MANDATORY | CORE ASSESSED | PRI 1-6 |

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| SAM 01 | INDICATOR | | | | | | | | | |
| **SAM 01.1** | Indicate whether your organisation uses investment consultants and/or fiduciary managers. | | | | | | | | | |
|  | ❑ Yes, we use investment consultants.  ❑ Yes, we use a fiduciary manager that delegates management of some or all of our assets to third-party managers.  🔾 No, we do not use investment consultants or fiduciary managers. | | | | | | | | | |
| **SAM 01.2** | Indicate whether your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers. | | | | | | | | | |
|  |  | **Listed equity (LE)** | **Fixed income — SSA** | **Fixed income —corporate (financial)** | **Fixed income —corporate (non-financial)** | **Fixed income—securitised** | **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. | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| **SAM 01.3** | Indicate whether your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants. | | | | | | | | | |
|  | ❑ Responsible investment is incorporated into the selection process for investment consultants.  ❑ Consultants’ responsibilities in terms of 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 01.4** | Indicate whether your organisation considers responsible investment in the monitoring processes for fiduciary managers. | | | | | | | | | |
| 🔾 Responsible investment is considered when monitoring our fiduciary manager.  🔾 We do not consider responsible investment in the monitoring processes for fiduciary managers. | | | | | | | | | |
| **SAM 01.5** | Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers. | | | | | | | | | |
|  | ❑ Including responsible investment as a standard agenda item at performance review meetings  ❑ Discussing whether the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG factors  ❑ Discussing whether the manager has acted in accordance with your organisation’s overall strategy on responsible investment and ESG factors  ❑ Discussing whether the manager has acted in accordance with your organisation’s overall policy on responsible investment and ESG factors  ❑ Reviewing the manager’s PRI Transparency or Assessment reports  ❑ Reviewing the manager’s responsible investment reporting (excluding PRI generated reports)  ❑ Reviewing ESG characteristics of the portfolio  ❑ Reviewing the impact of ESG factors on financial performance  ❑ Encouraging your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors  ❑ Including responsible investment criteria as a formal component of overall manager performance evaluation  ❑ Other general aspects of your monitoring; specify\_\_\_\_\_\_\_ | | | | | | | | | |
| **SAM 01.6** | Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach  [OPTIONAL] | | | | | | | | | |
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| **SAM 01.7** | Additional information.  [Optional] | | | | | | | | | |
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| SAM 01 | **EXPLANATORY NOTES** | | |
| **SAM 01** | Investment consultants and fiduciary managers can 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 allows you to explain if and how your organisation works with investment consultants and fiduciary managers. The sub-indicators capture how and to what extent you consider their responsible investment capabilities in your selection, appointment and monitoring processes.  **The remainder of this module covers what you and/or your consultant(s) and/or fiduciary managers are doing in relation to ESG factors 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**](https://www.unpri.org/download_report/25290)**.** | | |
| **SAM 01.1** | This sub-indicator aims to capture whether you use asset consultants or fiduciary managers in the selection and monitoring of external managers. It also aims to understand for which asset class you work with these asset consultants. This sub-indicator, however, does not cover whether you use asset consultants to implement responsible investments. This is captured in sub-indicator SAM 01.2. | | |
| **SAM 01.2** | 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 Farmland, Forestry, Hedge funds, Cash and/or Other. It is applicable if you report assets (externally) in any of these categories in the Organisational Overview (OO) module. | | |
| **SAM 01.3** | 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 records in the consideration of ESG factors in manager selection, appointment and/or monitoring; * ESG capabilities/literacy of the board and/or direct service provider; and/or * examples of responsible investment related services that your consultant has provided. | | |
| **SAM 01.4** | This sub-indicator aims to capture whether responsible investment is considered in monitoring your fiduciary managers. | | |
| **SAM 01.5** | This sub-indicator aims to capture how your organisation considers responsible investment in the monitoring of fiduciary managers. | | |
| **SAM 01.6** | This may include a more detailed description of the fiduciary managers’ monitoring processes or a description of why you do not monitor your fiduciary managers. | | |
| **LOGIC** | | | |
| **SAM 01** | [01.2] and [01.3] are applicable if you report ‘Yes, investment consultants’ to [01.1].  [01.4] is applicable if you report ‘Yes, fiduciary managers’ to [01.1]. [01.5], and [01.6] is applicable if you report ‘Responsible investment is considered when monitoring fiduciary managers' performance] to [01.4]  Within [01.2], some or all of the asset classes are applicable, depending on the information reported in the 'Organisational Overview' (OO) module. | | |
| **ASSESSMENT** | | | |
| **SAM 01** | Maximum score: Three ★ per asset class.  The assessment of this indicator is based on your responses to [01.3] and/or [01.5].  Organisations that do not use investment consultants or fiduciary managers will not be assessed on this indicator. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ‘No’ in SAM 01.1, or ‘Yes’ in SAM 01.1 but Investment Consultants are not used for a specific asset class. | N/A |  |
|  | If using investment consultants: | | |
|  | ‘We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants in SAM 01.3 | 🞈 |  |
|  | One option selected in SAM 01.3 | ★ |  |
|  | Two options selected in SAM 01.3 | ★★ |  |
|  | Three options selected in SAM 01.3 | ★★★ |  |
|  | If using fiduciary managers: | | |
|  | 'We do not consider responsible investment in the monitoring processes for fiduciary mangers' in SAM 01.4. | 🞈 |  |
|  | 'Responsible investment is considered when monitoring our fiduciary manager' in SAM 01.4, and one selection in SAM 01.5. | ★ |  |
|  | 'Responsible investment is considered when monitoring our fiduciary manager' in SAM 01.4, and up to three selections in SAM 01.5. | ★★ |  |
|  | 'Responsible investment is considered when monitoring our fiduciary manager' in SAM 01.4 and more than three selections in SAM 01.5. | ★★★ |  |

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| SAM 01 | **DEFINITIONS** |
| Fiduciary Manager | Fiduciary management refers to a combination of advisory and implementation services provided to a pension fund. The fiduciary manager is typically accountable to the trustees for the performance of the fund, while the trustees retain governance oversight. A range of functions may be delegated, but for this framework, we define fiduciary management as cases in which a fiduciary manager has responsibility for determining the allocation to different asset classes and day-to-day running of the fund, including hiring and firing investment managers. |

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|  | Indicator status | Purpose | Principle |
| SAM 02 | MANDATORY | GATEWAY | PRI 1 |

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| SAM 02 | INDICATOR | | | |
| **SAM 02.1** | 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 — SSA | ❑ | ❑ | ❑ |
| Fixed income —corporate (financial) | ❑ | ❑ | ❑ |
| Fixed income —corporate (non-financial) | ❑ | ❑ | ❑ |
| Fixed income —securitised | ❑ | ❑ | ❑ |
| Private equity | ❑ | ❑ | ❑ |
| Property | ❑ | ❑ | ❑ |
| Infrastructure | ❑ | ❑ | ❑ |
| **SAM 02.2** | 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 02.3** | Additional information.  [Optional] | | | |
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| SAM 02 | **EXPLANATORY NOTES** |
| **SAM 02** | From here on, the phrasing ‘investment consultants’ will refer to both investment consultants and fiduciary managers. |
| **SAM 02.1** | Please select all that apply. |
| **SAM 02.2** | This can include a discussion of the following:   * 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); and/or * 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 and 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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| **LOGIC** | |
| **SAM 02** | 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 which parts of those indicators will be relevant for you.  Within these sections, you will only be required to report on activities and asset classes that are relevant, based on your response to [02.1]. For example, if you consider responsible investment factors 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. |

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| SECTION |
| Listed equity (LE) and Fixed income (FI) |

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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 03 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY | GENERAL |

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| SAM 03 | INDICATOR | | | | | | |
| **SAM 03.1** | Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and active fundamental strategies. | | | | | | |
|  |  | **Listed equity (LE)** | **Fixed income —SSA** | **Fixed income —Corporate (financial)** | **Fixed income —Corporate (non-financial)** | | **Fixed income —Securitised** |
|  |  | **As a % of externally managed listed equity/fixed income** | | | | | |
|  |
|  | Passive | % | % | % | % | % | |
|  | Active—quantitative (quant) | % | % | % | % | % | |
|  | Active—fundamental and other active | % | % | % | % | % | |
|  | **Total externally managed listed equities/fixed income** | **100%** | **100%** | **100%** | **100%** | **100%** | |
| **SAM 03.2** | Additional information  [Optional] | | | | | | |
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| SAM 03 | **EXPLANATORY NOTES** |
| **SAM 03.1** | Your organisation’s breakdown of passive, active quant and active fundamental by listed equities, fixed income SSA, corporate (financial), corporate (non-financial) and fixed income securitised will be used to trigger subsequent indicators on the ESG incorporation strategies used by your managers.  Reported data will also be used in the assessment process to compare your organisation against those with a similar breakdown. |
| **LOGIC** | |
| SAM 03 | This indicator determines which parts of indicator [04] are applicable.  For example, if you report using passive investment strategies in relation to Listed Equity in [03], you will only see the part of [04.1] that is relevant to passive investment strategies for Listed Equity. |

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| SAM 03 | **DEFINITIONS** |
| ***Actively and passively managed strategies*** | |
| **Passive strategies** | Passive investments are investments that 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 in which the manager builds computer-based models to determine whether an investment is attractive. In a pure 'quant model', the final decision to buy or sell is made by the model. |
| **Active—fundamental** | Fundamental strategies in which investment decisions are based on human judgement. This includes both bottom-up (e.g. stock-picking) and top-down (e.g. sector-based) strategies. |

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|  | Indicator status | Purpose | Principle |
| SAM 04 | MANDATORY | DESCRIPTIVE | PRI 1 |

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| SAM 04 | INDICATOR | | | | | | |
| **SAM 04.1** | Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf: | | | | | | |
|  |  | **All assets** | **LE** | **Fixed income —SSA** | **Fixed income —Corporate (financial)** | **Fixed income —Corporate (non-financial)** | **Fixed income —Securitised** |
| ***Active investment strategies*** | | | | | | |
| Screening | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Thematic | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Integration | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| ***Passive investment strategies*** | | | | | | |
| Screening | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Thematic | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Integration | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| **SAM 04.2** | Explain how you integrate ESG factors in the selection, appointment and monitoring of your passive funds. | | | | | | |
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| **SAM 04.3** | Additional information  [Optional] | | | | | | |
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| SAM 04 | **EXPLANATORY NOTES** |
| **SAM 04.1** | Not all signatories require their external managers to incorporate ESG factors across all areas and all assets. For listed equities and/or fixed income, signatories may choose not to address ESG factors 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 04.2** | Describe your ESG approach when selecting, appointing and monitoring your manager responsible for your passive funds. You are encouraged to describe your approach to enhanced passive strategy (also known as enhanced indexing). |
| **SAM 04.3** | 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 04** | The sections in this indicator will be determined by your responses to SAM 03. |
| **SAM 04.2** | This indicator is only applicable if you reported any passive strategies in your externally managed listed equities and fixed income in SAM 03.1 |

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| SAM 04 | **DEFINITIONS** |
| **ESG incorporation** | |
| Incorporation of ESG factors 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 ESG incorporation can be done:   1. screening; 2. sustainability themed investment (also called environmentally and socially themed investment); 3. integration; and/or 4. a combination of the above.   Assets subject to an engagement approach only and not subject to any of the above strategies should not be included in ESG incorporation.  To improve standardisation and communication in the responsible investment industry, the PRI has aligned its definitions with those of the [Global Sustainable Investment Alliance](http://www.gsi-alliance.org/). These are presented below for convenience. | |
| Screening of investments | The definitions of the three types of screening in the Reporting Framework are as follows:   1. negative/exclusionary screening: The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria; 2. positive/best-in-class screening: Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers; and/or 3. norms-based screening: Screening of investments against minimum standards of business practice based on international norms. Norms-based screening involves either of the following: 4. defining the investment universe based on investees’ performance on international norms related to responsible investment/ESG factors; or 5. 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 | Investment in themes or assets specifically related to sustainability (for example, clean energy, green technology and sustainable agriculture). |
| Integration of ESG factors | The systematic and explicit inclusion by investment managers of environmental, social and governance factors into traditional financial analysis. |
| For further detail on these definitions, please see separate [Main Definitions](https://www.unpri.org/download_report/6309) document. | |
| 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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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **SELECTION** |

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|  | Indicator status | Purpose | Principle |
| SAM 05 | MANDATORY | CORE ASSESSED / ADDITIONAL ASSESSED | PRI 1 |

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| SAM 05 | | INDICATOR | | | | | | | | | | | | | |
| **SAM 05.1** | Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers | | | | | | | | | | | | | | |
|  |  | | **All assets** | | | **Asset class 1** | | | **Asset class 2** | | **Asset class 3** | | **Asset class 4** | | **Asset class 5** |
| Investment strategy and how ESG objectives relate to it | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| ESG incorporation requirements | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| ESG reporting requirements | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| Other \_\_\_\_\_ | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| No RI information covered in the RFPs | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| **SAM 05.2** | Explain how your organisation evaluates the investment manager’s ability to align between your investment strategy and their investment approach | | | | | | | | | | | | | | |
|  |  | | | **All assets** | | **Asset class 1** | | | **Asset class 2** | | **Asset class 3** | | **Asset class 4** | **Asset class 5** | |
|  | **Strategy** | | | | | | | | | | | | | | |
|  | Assess the time horizon of the investment manager’s investment strategy | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Assess the quality of investment policy and its reference to ESG | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific) | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Assess the ESG definitions to be used | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Other, specify \_\_\_\_ | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | None of the above | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | **ESG people/oversight** | | | | | | | | | | | | | | |
|  | Assess the ESG expertise of investment teams | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Review the ownership of ESG implementation | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Review how ESG implementation is incentivised | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
| Other, specify \_\_\_\_ | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
| None of the above | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | **Process/portfolio construction/investment valuation** | | | | | | | | | | | | | | |
| Review the process ensuring the quality of ESG data used | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree the investment decision making process (and ESG data use in it) | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree how the manager is targeting returns and ESG objectives | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree how the manager identifies, measures and manages ESG risk | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review how ESG materiality is evaluated by the manager in the monitored period | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review process for defining and communicating on ESG incidents | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Other, specify \_\_\_\_ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| None of the above | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| **SAM 05.3** | | Describe the selection process | | | | | | | | | | | | | | |
| ❑ Review responses to RfP, RfI, DDQ etc.  ❑ Review Limited Partners' Responsible Investment Due Diligence Questionnaire (PE DDQ)  ❑ Review publicly available information  ❑ Review assurance process  ❑ Review PRI Transparency Reports  ❑ Request and discuss PRI Assessment Reports  ❑ Meetings with the potential shortlisted managers  ❑ Site visits to potential managers’ offices  ❑ PRI’s LP DDQ  ❑ Other, specify \_\_\_\_ | | | | | | | | | | | | | | |
| **SAM 05.4** | When selecting external managers does your organisation set any of the following: | | | | | | | | | | | | | | |
|  |  | | | | **All assets** | | | **Asset class 1** | | **Asset class 2** | | **Asset class 3** | **Asset class 4** | **Asset class 5** | |
|  | ESG score | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | ESG weight | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | Real economy targets | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | Other RI considerations \_\_\_\_ | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | None of the above | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
| **SAM 05.5** | | Provide additional information relevant to your organisation's selection approach  [Optional] | | | | | | | | | | | | | | |
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| SAM 05 | **EXPLANATORY NOTES** | | |
| **SAM 05** | 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.  Here is some further guidance on some of the processes your selection may cover.  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*](https://www.unpri.org/download_report/3834) by the PRI, February 2013.  And  [*Crafting an investment strategy – a process guidance for asset owners*](https://www.unpri.org/download_report/22177) | | |
| **SAM 05.1** | Selection documentation can include RFPs, RFI, DDQ and other questionnaires and selection surveys, Investment and Operational Due Diligence processes.  Select ‘Investment strategy and how ESG objectives relate to it’ if your organisation includes your investment strategy, components of it, investment beliefs or principles in the selection documentation. This can also include explanation as to how your organisation’s investment strategy links to your ESG objectives. | | |
| **SAM 05.2** | ‘Assess the time horizon of the investment manager’s investment strategy’ – this also includes assessing how the time horizon fits with your organisation’s ESG objectives and how it’s reflected with the investment managers’ portfolio turnover rate.  ‘Assess the quality of the investment policy’ – this could mean reviewing the references to ESG, the coverage of the policy in terms of regions, products, strategies and asset classes also understanding how any changes in the policy are implemented.  ‘Assess the ESG definitions to be used’ can also include discussions of the scope of what is understood with ESG and what it entails.  ‘Review how ESG implementation is enforced /ensured’ – this could mean ensuring availability for training on ESG  ‘Review and agree the investment decision making process’ – understanding how ESG is integrated in the decision-making, asking for a recent example for when ESG factors influenced an investment decision. Also important to understand – who makes a decision – a committee, individual, algorithm, or another party.  ‘Assess ESG expertise of investment teams’ - understand if there is an ESG team, specialists or if ESG function is integrated throughout the investment team. If there is a separate ESG team – review where is it based and how it works together with the rest of the organisation. If ESG responsibilities are integrated throughout the teams – understand how the team is trained and recruited to ensure that they have the ESG skills and competencies. This may include a discussion of, for example, any differences between mandates, strategies or markets.  ‘ Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions’ - Understanding the investment process – is the investment manager using fundamental analysis or thematic, this determines how ESG materiality is identified, and is the process driven by qualitative or quantitative factors.  ‘Review and agree how the manager is targeting returns and ESG objectives’ – understanding how the investment manager is evaluating the impact of the ESG objectives on the returns, evaluating the materiality of those and prioritising them.  ‘Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives’ – looking at how investment manager sees ESG returns and risk and if there is an additional ESG objective, assessing if and what is the ESG contribution to risk-return profile of the portfolio  *Investment Policy: Process & Practice – A Guide for Asset Owners* can be found [here](https://www.unpri.org/download_report/24553). | | |
| **SAM 05.3** | Meetings with the potential shortlisted managers can include video conference and other multimedia meetings.  Site visits to potential managers’ offices can also be done through a third party and/or during the appointment phase. | | |
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| **LOGIC** | | | |
| **SAM 05** | This indicator is applicable if you reported that you:   * Address ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring in OO 11.2 and/or if; * You selected an asset class in OO 12.1 where you do RI implementation via external managers and if; * You selected an asset class in SAM 02.1 for which your organisation and/or your investment consultants consider responsible investment factors in investment manager selection, appointment and/or monitoring. | | |
| **ASSESSMENT** | | | |
| **SAM 05** | Maximum score: 18 ★ per asset class.  Please note that SAM 05.2 is worth up to 9 ★, of which 6 ★ are core and 3 ★ are additional. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ***Core Assessed*** | | |
|  | **SAM 05.1** | | |
|  | “No RI information covered in the RFPs” | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | ***Core Assessed*** | | |
|  | SAM 05.2 - Strategy | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | Core Assessed | | |
|  | SAM 05.2 – ESG people/oversight | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | Additional Assessed | | |
|  | SAM 05.2 – Process/portfolio construction/investment valuation | | |
|  | “None of the above” selected | 🞈 |  |
|  | One or two options selected | ★ |  |
|  | Three or four options selected | ★★ |  |
|  | Five or more options selected | ★★★ |  |
|  | Core Assessed | | |
|  | SAM 05.3 | | |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Either “Meetings with the potential shortlisted managers” or “Site visits to potential managers offices” selected | ★★★ |  |
|  | Additional Assessed | | |
|  | SAM 05.4 | | |
|  | “None of the above” | 🞈 |  |
|  | Any option selected | ★★★ |  |

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| **DEFINITIONS** | |
| **ESG objectives** | This could be adhering to code of conducts, beliefs, strategy, policy etc.; investment restrictions; integration practices; engagement; voting; reporting. |
| **Investment strategy** | An investment strategy is a systematic plan that guides a financial institution's investment decisions. This may include [asset allocation](http://www.investopedia.com/terms/a/assetallocation.asp), buy and sell guidelines and risk guidelines such as ESG risks. This can also include investment beliefs understood as a financial institution's key convictions about how financial markets work, while considering human behaviour. This may include investment process beliefs, organisational beliefs and ESG beliefs. |
| **Real economy targets** | The extent to which an investment positively or negatively impacts the real economy, including environment, social and governance impacts, additionally to financial return. |

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|  | Indicator status | Purpose | Principle |
| SAM 06 | MANDATORY | ADDITIONAL ASSESSED | PRI 2 |

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| SAM 06 | INDICATOR | | | | | | | | | |
| **SAM 06.1** | Indicate how your organisation typically evaluates the manager’s active ownership practices in the majority of the manager | | | | | | | | | |
|  |  | **All assets** | **Asset class 1** | **Asset class 2** | | **Asset class 3** | **Asset class 4** | **Asset class 5** | |
| ***Engagement*** | | | | | | | | |
| Review the manager’s engagement policy | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ |
| Review the manager’s engagement process (with examples and outcomes) | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ |
| Ensure that engagement outcomes feed back into the investment decision-making process | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Other engagement issues in your selection process; specify \_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| None of the above | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| ***(Proxy) voting*** | | | | | | | | | |
| Review the manager’s voting ability within different ownership rights | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Review the manager’s voting policy | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Ensure that voting outcomes feed back into the investment decision-making process | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Other voting issues in your selection process; specify \_\_\_\_\_\_\_ | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| None of the above | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| **SAM 06.2** | Describe how you assess if the manager’s engagement approach is effective. | | | | | | | | | |
| ❑ Impact on investment decisions  ❑ Impact on company / asset level  ❑ Impact on ESG profile or the portfolio  ❑ Evidence of changes in corporate practices  ❑ Other, specify \_\_\_\_\_\_  ❑ None of the above | | | | | | | | | |
| **SAM 06.3** | Describe how you assess if the manager’s voting approach is effective/appropriate | | | | | | | | | |
| ❑ Impact on investment decisions  ❑ Impact on ESG profile or the portfolio  ❑ Evidence of changes in corporate practices  ❑ Other, specify \_\_\_\_\_\_  ❑ None of the above | | | | | | | | | |
| **SAM 06.4** | Additional information  [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 focusing specifically on engagement and voting practice. Report here also if you require your managers to report on any of the options.  For non-listed asset managers an engagement can mean managers’ influence and support of its portfolio companies/ assets to manage ESG related risks and opportunities.  Review the manager’s engagement process discussing in what situations the manager engages. Request examples and outcomes. Review how the engagement outcomes feed back into the investment decision-making process.  For selecting listed equity funds.  Review the manager’s voting ability within different ownership rights – looking at how the manager is targeting segregation of accounts for ownership, understanding if they are able to segregate the stock and list the asset owner as the beneficial owner in order to facilitate the vote.  PRI’s [*Crafting an investment strategy – a process guidance for asset owners*](https://www.unpri.org/download_report/22177)provides guidance on how asset owners might evaluate a manager’s active ownership processes |

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| **LOGIC** | | | |
| **SAM 06.1** | The **Engagements** part of this indicator is generally applicable for all asset classes. For Listed equity, the Engagements part will be applicable if you report that you require your external managers to engage on your behalf in OO 11.  The **(Proxy) voting** part of this indicator is only applicable to Listed Equity and if you report that your organisation requires external managers to cast (proxy) votes on your behalf in OO 11. | | |
| **SAM 06.3** | This indicator will be applicable only if you reported that you require your external managers to vote on your behalf. | | |
| **ASSESSMENT** | | | |
| **SAM 06** | Maximum of twelve ★ per asset class (maximum of nine ★ for Fixed Income) | | |
| Scored sub-indicator | SAM 06.1 – Indicate how your organisation typically evaluates the manager’s active ownership practices in the majority of the manager selection process for listed equity and/or fixed income. | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | **Engagement** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | **Proxy voting (not applicable for Fixed income – SSA, Fixed income – corporate (financial), Fixed income – corporate (non-financial) and Fixed income – securitised.)** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
| Scored sub-indicator | SAM 06.2 – Describe how you assess if the manager’s engagement approach is effective | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
| Scored sub-indicator | SAM 06.3 – Describe how you assess if the manager’s voting approach is effective/appropriate | | |
|  | **Indicator scoring methodology** |  |  |
|  | **Selected response** | **Level score** | **Further Details** |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |

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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 07 | MANDATORY | CORE ASSESSED/ADDITIONAL ASSESSED | PRI 1 |

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| SAM 07 | INDICATOR | | | | | | | | |
| **SAM 07.1** | Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment | | | | | | | | |
|  | ❑ Sets standard or ESG benchmarks  ❑ Defines ESG objectives  ❑ Sets incentives and controls linked to the objectives  ❑ Requires reporting on these objectives  ❑ None of the above  ❑ None of the above, we invest only in pooled funds and have a thorough selection process | | | | | | | | |
| **SAM 07.2** | Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers’ appointment. | | | | | | | | |
|  | **Asset class** | **Benchmark** | | **Objectives** | | **Incentives and controls** | | **Reporting requirements** | |
|  | * All * Applicable from SAM 03   [drop down] | ❑ Standard benchmark, specify \_\_\_\_\_  ❑ ESG benchmark, specify \_\_\_\_\_  🔾 We do not set benchmarks | | ❑ Strategy, specify \_\_\_  ❑ Investment restrictions, specify \_\_\_  ❑ Integration, specify \_\_\_  ❑ Engagement, specify \_\_\_  ❑ Voting, specify \_\_\_    ❑ Other, specify \_\_\_\_\_  🔾 We do not define ESG objectives | | ❑ Fee based incentive  ❑ Termination  ❑ No fee/ breach of contract  🔾 We do not set incentives and controls | | 🔾 Monthly  🔾 Quarterly  🔾 Bi-annually  🔾 Annually  🔾 Ad-hoc/when requested  🔾 We do not require the reporting on ESG objectives | |
| [same as above] | [same as above] | | [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 07.3** | Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process | | | | | | | | |
|  |  | **All assets** | **Asset class 1** | | **Asset class 2** | **Asset class 3** | **Asset class 4** | | **Asset class 5** |
| Agree upon ESG reporting requirements | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| Review ESG reporting processes and capacity in place | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| Agree processes for raising ad-hoc ESG issues | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| Other, specify \_\_\_\_ | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| None of the above | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| **SAM 07.4** | Explain which of these actions your organisation might take if any of the requirements are not met | | | | | | | | |
|  | ❑ Discuss requirements not met and set project plan to rectify  ❑ Review performance in more detail  ❑ Place investment manager on a “watch list”  ❑ Investigate reason for non-compliance  ❑ Require action plan from the manager  ❑ Negotiate fees  ❑ Failing all actions, terminate contract with the manager  Other, specify \_\_\_\_  ❑ No actions are taken if any of the requirements are not met | | | | | | | | |
| **SAM 07.5** | Provide additional information relevant to your organisation's appointment processes of external managers.  [Optional] | | | | | | | | |
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| SAM 07 | **EXPLANATORY NOTES** |

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| **SAM 07** | Standard benchmark – select this option if your organisation sets benchmarks against mainstream Index products such as the MSCI WORLD, MSCI ACWI, MSCI Emerging Markets, SP500, FTSE100, DAX, EuroStoxx600, Nikkei225, Topix, Iboxx, and Barclays Composite bond index. For absolute return investors that might be Libor + 300Bps, 5%, 8% or any other hurdle rate. A combination of several indexes would still fall within this category.  ESG benchmark – select this option if your organisation sets ESG benchmark using indexes with the ESG consideration in its securities selection or weighting. Examples include MSCI range of ESG indexes, FTSE/RUSSEL ESG Index Range, DOW JONES/Robecco SAM sustainable range.  ESG objectives are usually part of the Investment Management Agreement (IMA) for separate mandates, the GP/LP Agreement for Private Equity type pools and in Side Letters in all other cases. This allows additional ESG requirements to become contractually binding in the relationship between an asset owner and an investment manager.  ESG objectives: strategy – this could include objectives to adhere to Codes of Conduct, your organisation’s investment strategy, investment policy and/or statement of beliefs and similar strategy / governance documents.  Fee based incentive – select this option if your organisation has a positive incentive (higher fees) or negative incentive (not full amount of standard fees) based on the manager’s ESG performance.  Termination – select this option if your organisation would be terminating investment manager’s contract or if your organisation would not be bound by private equity commitments (become an excused investor in to a pulled vehicle) if ESG objectives are not met.  No fee/ breach of contract – select this option if your organisation would pay no fees, recover fees already paid or would terminate the contract with the manager if ESG objectives are not met.  APPOINTMENT PAPER | | |
| **SAM 07.3** | Agree upon ESG reporting requirements - these could be metrics for regular reporting and what info expected on unplanned changes, also what quality assurance you require from your manager.  Agree processes for raising ad-hoc ESG issues- this should also include defining incidents that require immediate reporting. | | |
| **LOGIC** | | | |
| **SAM 07** | This indicator will be applicable if you report ‘Appointment’ for the relevant asset class in [02]. | | |
| **ASSESSMENT** | | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ***Core Assessed*** | | |
|  | **SAM 07.1** | | |
|  | “None of the above” or “None of the above, we invest only in pooled funds and have a thorough selection process” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three or four options selected | ★★★ |  |
|  | **SAM 07.2** | | |
|  | No example provided | 🞈 |  |
|  | Example provided | ★★★ |  |
|  | SAM 07.3 | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three or four options selected | ★★★ |  |
|  | ***Additional Assessed*** | | |
|  | **SAM 07.4** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three or more options selected | ★★★ |  |

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| **Examples** | | | | |
| **Asset class** | **Benchmark** | **Objectives** | **Incentives and controls** | **Reporting requirements** |
| * Property | 🗹 Standard benchmark, specify “Liber + 6%” | 🗹 Integration, specify “Improving energy efficiency by 5% of the buildings” | 🗹 Fee based incentive | ⚫ Annually |
| * Listed equity | 🗹 ESG benchmark, specify “MSCI World ESG” | 🗹 Voting, specify “the asset owner is retaining the rights of all corporate actions and voting issues in accordance to its ESG policies. In lieu of asset owner’s instructions the manager is going to vote according to asset owner’s voting policy”  🗹 Engagement, specify “The asset owner retains the right to engage directly with any of the companies in the investment portfolio and the investment manager will be required to facilitate the interaction.” | 🗹 Termination | ⚫ Quarterly |

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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 08 | MANDATORY | CORE ASSESSED | PRI 1 |

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| SAM 08 | INDICATOR | | | | | | | | | | |
| **SAM 08.1** | When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates from the investment manager in meetings/calls. | | | | | | | | | | |
|  |  | **All assets** | **Asset class 1** | **Asset class 2** | **Asset class 3** | | | | | **Asset class 4** | **Asset class 5** |
| ESG objectives linked to investment strategy | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Investment restrictions and any controversial investment decisions | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| ESG incorporation objectives (with examples) | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| ESG portfolio characteristics | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| How ESG materiality has been evaluated by the manager in the monitored period | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Information on any ESG incidents | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Metrics on the real economy influence of the investments | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| PRI Transparency Reports | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| PRI Assessment Reports | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Other general RI considerations in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| None of the above | ❑ | ❑ | n/a | n/a | | | n/a | | | n/a |
| **SAM 08.2** | When monitoring external managers, does your organisation set any of the following to measure compliance/progress: | | | | | | | | | | |
|  | ESG score | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | ESG weight | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | Real economy targets | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | Other RI considerations \_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | None of the above | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
| **SAM 08.3** | Provide additional information relevant to your organisation's monitoring processes of external managers.  [Optional] | | | | | | | | | | |
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| SAM 08 | **EXPLANATORY NOTES** | | |
| **SAM 08** | ESG score and weight does not have to be quantitative; this could also be assurance requirements or complying with minimum standards.  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?). ESG objectives linked to investment strategy - objectives set to adhere to Codes of Conduct, your organisation’s investment strategy, investment policy and/or statement of beliefs and similar strategy / governance documents.  Investment restrictions and any controversial investment decisions – this could mean checking if investment manager has invested or disinvested with a non-consensus view.  ESG portfolio characteristics – this would include reviewing what companies are in the portfolio, what are their respective ESG scores and how has the ESG composition of the portfolio changed from the last reporting period. This could also include reviewing examples of turnover for the monitored time period.  Information on any ESG incidents – this could also include any examples of previously bought stock being sold due to ESG factors.  Metrics on the real economy influence of the investments – this could for example be the energy efficiency of the portfolio of buildings.  If you require your external managers to undertake carbon portfolio monitoring, you are strongly encouraged to report this using the ‘additional information’ field. | | |
| **LOGIC** | | | |
| **SAM 08** | This indicator will be applicable if you report ‘Monitoring’ for the relevant asset class in [02]. | | |
| **ASSESSMENT** | | | |
| **SAM 08** | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | **SAM 08.1** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One or two options selected | ★ | If both “PRI Transparency Reports” and “PRI Assessment Reports” are selected, they are eligible to be counted as one option together. |
|  | Three or four options selected | ★★ |
|  | Five or more options selected | ★★★ |
|  | **SAM 08.2** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options selected | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SAM 09 | MANDATORY | ADDITIONAL ASSESSED | PRI 1 |

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| SAM 09 | **INDICATOR** | | | | | | |
| **SAM 09.1** | When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls | | | | | | |
|  | **All assets** | **Asset class 1** | **Asset class 2** | **Asset class 3** | **Asset class 4** | **Asset class 5** |
| ***Engagement*** | | | | | | |
| Report on engagements undertaken (outcomes and examples) | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Account on engagement ESG impacts | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to engagement in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| ***(Proxy) voting*** | | | | | | |
| Report on voting undertaken (with outcomes and examples) | ❑ | ❑ | n/a | n/a | n/a | n/a |
| Report on voting decisions taken | ❑ | ❑ | n/a | n/a | n/a | n/a |
| Other RI considerations relating to (proxy) voting in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | n/a | n/a | n/a | n/a |
| None of the above | ❑ | ❑ | n/a | n/a | n/a | n/a |

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| SAM 09 | **EXPLANATORY NOTES** | | |
|  | This indicator aims to capture how your organisation monitors your managers’ engagement practices and processes to measure their influence.  For non-listed asset managers an engagement can mean managers’ influence and support of its portfolio companies/ assets to manage ESG related risks and opportunities.  This could mean requesting reports on the ESG characteristics of the manager’s underlying holdings and the actions taken by the manager.  For listed equity this can mean reviewing the manager’s engagement process discussing in what situations the manager engages, requesting examples and outcomes, reviewing how the engagement outcomes feed back into the investment decision-making process. | | |
| **LOGIC** | | | |
|  | The **(Proxy) voting** part will be applicable if you reported that you require your external managers to do voting on your behalf in OO 11.  If you report ‘Report on voting undertaken (with outcomes and examples)’ in the (proxy) voting part of this indicator, [10] will be applicable. | | |
| **ASSESSMENT** | | | |
| **SAM 09** | Maximum of six ★ per asset class | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | **Engagement** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options selected | ★★★ |  |
|  | **Proxy voting (not applicable for Fixed income – SSA, Fixed income – corporate (financial), Fixed income – corporate (non-financial) and Fixed income – securitised.)** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options selected | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SAM 10 | MANDATORY | ADDITIONAL ASSESSED | PRI 2 |

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| SAM 10 | INDICATOR | |
| **SAM 10.1** | For the listed equities for which 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 10.2** | Additional information  [Optional] | |
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| SAM 10 | **EXPLANATORY NOTES** | | |
| **SAM 10.1** | When calculating the percentage of votes cast, please include only those holdings for which you have given external managers the mandate to vote. | | |
| **SAM 10.2** | *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; and/or * overall cost effectiveness. | | |
| **LOGIC** | | | |
| **SAM 10** | This indicator will be applicable if you report ‘Report on voting undertaken (with outcomes and examples)’ in [09.1]. | | |
| **ASSESSMENT** | | | |
|  | Maximum score: Three ★ per asset class | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | “We do not collect this information” selected or “<10%” reported | 🞈 |  |
|  | 10 to 80% reported | ★ |  |
|  | 80 to 95% reported | ★★ |  |
|  | Above 95% reported | ★★★ |  |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| SAM 11 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | DESCRIPTIVE | PRI 1 |

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| SAM 11 | INDICATOR | |
| **SAM 11.1** | Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories. | |
|  | % | |
| **SAM 11.2** | Describe how you ensure that best RI practice is applied to managing your assets | |
|  | Measures |
| ❑ Encourage improved RI practices with existing investment managers | [free text] |
| ❑ Move assets over to investment managers with better RI practices | [free text] |
| ❑ Other, specify \_\_\_\_\_\_ | [free text] |
| ❑ None of the above | |
| **SAM 11.3** | Additional information  [Optional] | |
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| SAM 11 | **EXPLANATORY NOTES** |
| **SAM 11.1** | 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 12 | MANDATORY | ADDITIONAL ASSESSED | PRI 1,6 |

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| SAM 12 | INDICATOR | | | | |
| **SAM 12.1** | Provide examples of how ESG factors 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] |  |  |
| ❑ We are not able to provide examples | | | | |
| **SAM 12.2** | Additional information.  [Optional] | | | | |
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| SAM 12 | EXPLANATORY NOTES |

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| **SAM 12.1** | 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 factors influence selection, appointment and/or monitoring processes or to highlight specific features of your approach. | | |
| **LOGIC** | | | |
| **SAM 12.1** | Applicable asset classes in the field ‘asset class’ will depend on your response(s) in [02]. | | |
| ASSESSMENT | | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | No example provided | 🞈 |  |
|  | Example provided | ★★★ |  |

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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 13 | MANDATORY | CORE ASSESSED | PRI 6 |

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| SAM 13 | INDICATOR | | | |
| **SAM 13.1** | Indicate whether 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 13.2** | Indicate whether the level of information you disclose to the public is the same as that disclosed to clients/beneficiaries. | | | |
|  | 🔾 Yes | | 🔾 No | |
| **SAM 13.3** | 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/or active ownership | ❑ | | ❑ |
| Other; specify\_\_\_\_\_\_\_\_\_ | ❑ | | ❑ |
| **SAM 13.4** | Additional information.  [Optional] | | | |
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| SAM 13 | **EXPLANATORY NOTES** | | |
| **SAM 13.1** | 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 be in practice 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, or newsletter. It may be information proactively given to clients or shared with the public using any form judged appropriate. | | |
| **SAM 13.3** | Disclosure on how you are implementing responsible investments as 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 factors on financial performance and how you managers identify links between ESG analysis and performance or risk mitigation.). | | |
| **SAM 13.4** | 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 factors have affected investment portfolios and their performance | | |
| **LOGIC** | | | |
| **SAM 13** | Within indicator:   * [13.2] is applicable if you report that your organisation proactively discloses information publicly in [13.1]. * [13.3] is applicable if you report in [13.1] 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, [13.3] will contain two columns to enable you to report the different approaches. | | |
| **ASSESSMENT** | | | |
|  | Maximum score: Three ★ | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | **Public reporting and/or disclosure to clients/beneficiaries** | | |
|  | “We do not proactively disclose information to the public and/or clients/beneficiaries” in SAM 13.1 | 🞈 |  |
|  | “Yes” in SAM 13.1 and one option in SAM 13.3 | ★ |  |
|  | “Yes” in SAM 13.1 and two options in SAM 13.3 | ★★ |  |
|  | “Yes” in SAM 13.1 and three options in SAM 13.3 | ★★★ |  |