

PRI REPORTING FRAMEWORK 2020 – SERVICE PROVIDERS

Reporting (REP)

November 2019

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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) and the purpose of the indicator.

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|  | Indicator status | Purpose  GATEWAY |
| xxx 01 | MANDATORY |

**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 they 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. |
| 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 that contain important information for 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. |
|  |  |
| xxx 01 | DEFINITIONS |
| **xxx 01** | Specific terms that are used in the indicator are defined here. |

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# Pathways through the module

**REP 01:** Product type

If product type includes reporting

**REP 02:** Reporting frameworks/standards/guidelines

If product type includes financial reporting and ‘Other, specify’

**REP 03:** Incorporating ESG

**REP 04:** ESG inmateriality analysis

If product type includes assurance

**REP 05:** Assuring ESG

# Preface

The information reported in this module will allow your stakeholders to understand your approach to reporting and how you incorporate ESG into your product offerings. You will also be able to report on any assurance activities and incorporation of ESG factors into this area.

**Summary of updates**

There have been no changes to the wording or structure of indicators in this module since 2019.

For a detailed description of changes, please see [here](https://d8g8t13e9vf2o.cloudfront.net/Uploads/b/s/e/2020updatesofindicatorssp_710352.xlsx).

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| SECTION |
| Type of reporting and assurance |

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|  | Indicator status | Purpose |
| REP 01 | MANDATORY | GATEWAY |

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| REP 01 | INDICATOR | |
| REP 01.1 | Indicate the type of reporting that you prepare on behalf of clients. Tick all that apply. | |
| ❑ Integrated reporting  ❑ RI reporting  ❑ Sustainability reporting  ❑ Financial reporting  ❑ Other, specify (1)\_\_\_\_\_\_  ❑ Other, specify (2)\_\_\_\_\_\_  🔾 None of the above | |
| REP 01.2 | Indicate whether your services include any variety of third party assurance or certification/labelling scheme of clients’ ESG/RI data, processes or products. | |
| 🔾 Yes | 🔾 No |
| REP 01.3 | Indicate the type of assurance or certification/labelling scheme services that you provide. | |
| ❑ Third party assurance of data points  ❑ Third party assurance of the implementation of RI/ESG processes  ❑ Third party assurance of a public RI/ESG report  ❑ External ESG audit of holdings  ❑ RI Certification or labelling scheme, specify\_\_\_\_  ❑ Other, specify\_\_\_ | |
| REP 01.4 | Additional information.  [Optional] | |
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| REP 01 | EXPLANATORY NOTES |
| REP 01.1 | This indicator acts as a gateway and will determine what subsequent indicators will be relevant to you depending on your responses here. |
| REP 01.4 | Use this space to provide further information on your product type. |
| LOGIC | |
| REP 01.1 | REP 02 will be applicable if you report on any of the options provided in the list, except for ‘None of the above’.  REP 03.1 and REP 04.1 will be applicable if you reported that you do ‘Financial reporting’ and/or ‘Other, specify (1)’ and ‘Other, specify (2)’. |
| REP 01.2 | REP 01.3 will be applicable if you report ‘Yes’.  REP 05 will be applicable if you report 'Yes'. |

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| REP 01 | DEFINTIONS |
| Integrated reporting | A concise communication that considers the interconnectivity of a wide range of factors, incorporating both financial and other non-financial information to demonstrate how an organization is creating value in the short-term, mid-term, and long-term. |
| RI reporting | A report that includes information about the responsible investment activities, processes, and/or outcomes of investors and how they incorporate ESG factors into these aspects. |
| Sustainability reporting | An organisational or company report demonstrating the organisation’s or company’s ESG performance in terms of its internal operations and external impact. This can also cover how the organisation is working towards contributing to a sustainable development within the context of its scope and ESG issues deemed material. |
| Financial reporting | A financial statement that adheres to generally accepted accounting principles, showcasing the financial status of an organisation or company. |
| Independent third party assurance | Assurance engagements conducted by your organisation, as an independent third party, following an assurance standard and resulting in a public conclusion over the reliability of the information reported. |
| Third party assurance of the implementation of RI/ESG processes | Typically takes two forms:   * Audit conducted by your organisation, as an independent third party, following an assurance standard which are designed to give management confidence that sufficient controls are in place to ensure responsible investment/ESG policies are followed (no statement is made over data quality, and usually no public statement is made). * Audits conducted by your organisation, as an independent third party, which are designed to give confidence to clients in outsourced services, such as investment management (no statement is made over data quality, and usually no public statement is made). |
| Independent assurance of a public RI/ESG report | Evidence of an assurance engagement by your organisation as an external third party, where a public conclusion was made over the reliability of another form of RI reporting (excluding PRI Transparency Reports), typically a CSR, RI, Sustainability or Integrated Report. |
| External ESG audit of holdings | Investors that seek to understand the ESG characteristics of the companies they are holding and undertake assurance. Typically, the assurance is over the investors own processes for collecting, calculating and/or presenting data. |
| RI Certification or labelling scheme | Your organisation provides organisation or fund level labels or certifications, such as the Luxembourg Fund Labelling Agency (LuxFLAG), or those provided by sustainability initiatives. |

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| SECTION |
| Reporting frameworks/standards/guidelines |

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|  | Indicator status | Purpose |
| REP 02 | MANDATORY |

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| REP 02 | INDICATOR |
| REP 02.1 | Indicate what reporting frameworks/ standards/ guidelines you typically use when preparing reports for clients. Tick all that apply. |
| ❑ OECD Guidelines for Multinational Enterprises  ❑ OECD Principles of Corporate Governance  ❑ ILO  ❑ ISO, specify \_\_\_\_  ❑ UN Global Compact  ❑ GRI  ❑ SASB  ❑ IIRC  ❑ PRI  ❑ CDP  ❑ Stewardship code  ❑ Task Force on Climate-related Financial Disclosures (TCFD) recommendations  ❑ Other, specify (1)\_\_\_\_\_\_  ❑ Other, specify (2)\_\_\_\_\_\_ |
| REP 02.2 | Additional information.  [Optional] |
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| SECTION |
| Incorporating ESG |

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|  | Indicator status | Purpose |
| REP 03 | MANDATORY |  |
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| REP 03 | INDICATOR |
| REP 03.1 | Indicate whether you incorporate ESG factors into your reporting products for clients. |
| 🔾 Yes, we systematically do  🔾 Yes, we occasionally do  🔾 No, we do not |
| REP 03.2 | If yes, describe how you typically incorporate E, S, and G factors into the reporting. |
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| REP 03.3 | Additional information  [OPTIONAL] |
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| REP 03 | EXPLANATORY NOTES |
| REP 03.1 | This indicator is applicable if you reported ‘Financial reporting’ and/or ‘Other’ in REP 01.1. Please indicate whether you incorporate ESG factors into your ‘Financial reporting’ products, or ‘Other, specify’ products. |
| REP 03.2 | Reporting practices continue to develop, particularly as companies move towards integrated reporting practices and systems. It might not be appropriate to include ESG factors into a financial reporting product. You can describe here how your organisation is responding. |
| LOGIC | |
| REP 03 | REP 03.1 is applicable if you reported that you do ‘Financial reporting’ and/or ‘Other’ in REP 01.1.  REP 03.2 will be applicable if you report ‘Yes, we systematically do’ or ‘Yes, we occasionally do’. |

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| SECTION |
| ESG in materiality analysis |

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|  | Indicator status | Purpose  DESCRIPTIVE |
| REP 04 | MANDATORY |

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| REP 04 | INDICATOR |
| REP 04.1 | Indicate whether ESG is part of the materiality analysis you perform when preparing clients’ reports. |
| 🔾 Yes, ESG is systematically part of the materiality analysis  🔾 Yes, ESG is occasionally part of the materiality analysis  🔾 No, ESG is not part of the materiality analysis |
| REP 04.2 | If no, explain why not. |
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| REP 04.3 | Describe the process you undertake for materiality analysis.  [Optional] |
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| REP 04 | EXPLANATORY NOTES |
| REP 04.3 | Include whether the process is typically led by you or the client.  This could include a description of the key stakeholder groups (investors, customers, employees, civil society, etc.) you incorporate into your materiality analysis and the weight that is typically given to each stakeholder group. |
| LOGIC | |
| REP 04.1 | REP 04.2 will be applicable if you report ‘No, ESG is not part of the materiality analysis’.  REP 04.3 will be applicable if you report any of the ‘Yes’ options. |

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| REP 04 | DEFINITIONS |
| Materiality analysis | Materiality analysis typically involves engaging with stakeholders to determine which factors are most relevant and significant for an organisation that they meet the threshold for reporting. The significance of each aspect of analysis should also inform the prominence and detail it is given in reporting. The first stage would include defining stakeholders and the context of a client's mission. |

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| SECTION |
| Assurance standards and assuring ESG |

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|  | Indicator status | Purpose  DESCRIPTIVE |
| REP 05 | MANDATORY |

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| REP 05 | INDICATOR |
| REP 05.1 | List the standards and certifications that have an ESG/RI component, that you typically use to assure client organisations’ reporting data/processes or products against. |
| ❑ ISAE 3000  ❑ ISAE 2403  ❑ ISO standard, specify\_\_\_\_  ❑ AAFOI/06  ❑ Regional code, specify\_\_\_\_\_  ❑ AA1000AS  ❑ Other, specify (1)\_\_\_\_\_  ❑ Other, specify (2)\_\_\_\_\_  ❑ Other, specify (3)\_\_\_\_\_  🔾 None of the above |
| REP 05.2 | Describe how clients’ RI/ESG data and/or processes are assured. |
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| REP 05.3 | Describe any differences in the process of assuring ESG/RI information as compared to other information. |
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| REP 05.4 | Additional information  [Optional] |
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| REP 05 | EXPLANATORY NOTES |
| REP 05.2 | Use this space to describe your assurance process for RI and E, S, and G factors. You may wish to describe whether you typically tend to assure ESG/RI processes, data or impacts, and what your process is for doing so. You can also address what standards you use for assuring ESG/RI data and processes, and what the main challenges and/or opportunities are when assuring such data. |