Indirect investor – Data collection form

To collect information for the 2018 PRI Reporting Framework from an asset consultant or fiduciary manager

January 2019

# General guidance

This document is a supporting tool to the PRI Reporting Framework. Where asset consultants or fiduciary managers support indirect investors, information from these providers may be required by the indirect investor to complete their PRI Reporting.

### Guidance for Investors

This document is designed for indirect investors who use an asset consultant or fiduciary manager for the selection, appointment or monitoring of their external managers. The form consists of a subset of the indicators of the SAM (Selection Appointment and Monitoring of external managers) module where information may be required by this service provider. The form can be sent to the service provider to complete and return, in which case upon return the investor will have to either integrate the information provided by service providers with their own and then enter the resulting information into the reporting tool or – if the asset consultant/fiduciary manager takes on all the underlying activities – simply copy the responses from the form to the online reporting tool. Alternatively – if not involved at all in the external manager selection and monitoring the investor can decide to provide the service provider with the login code to the online reporting tool to complete the relevant indicators directly online on their behalf.

Not all indirect investors use the same services and we therefore recommend that investors highlight to their providers which of the indicators below are relevant for them to complete, or investors can simply send only the relevant indicators into a new document. Please note that the reported information will be included in the RI transparency report as reported by the indirect investor, therefore it is important to review the reported information thoroughly before submitting.

### Guidance for Service Providers

This document is designed to assist your client with collecting information for reporting on their implementation of responsible investment. Please read the explanatory notes and definitions for the below indicators carefully before completing the requested information. Please only include information that is relevant for the assets of this specific client and avoid including general policies of your organisation unless directly relevant for the client sending you the form. Once completed, please send this back to your client who will review the information and insert it to their report.

Note that the indicators below are the actual indicators your investor clients will report on. They are therefore written as they were to be reporting, not you. Keep this in mind as you are reading the indicators and explanatory notes and enter the information with this perspective in mind.

The following indicators are part of one of the modules of the [PRI Reporting Framework](https://www.unpri.org/signatories/reporting-for-signatories) which covers the Selection, Appointment and Monitoring of External Managers. These indicators are a subset of the full module as some information captures investor activities that we do not expect you to report on, on behalf of your client.

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|  | Indicator status | Purpose | Principle |
| OO 11 | MANDATORY | GATEWAY | GENERAL |

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| OO 11 | INDICATOR | |
| **OO 11.1** | Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year). | |
|  | Listed equity  Fixed income — SSA  Fixed income — Corporate (financial)  Fixed income — Corporate (non-financial)  Fixed income — Securitised  Private equity  Property  Infrastructure  Commodities  Hedge funds  Fund of hedge funds  Forestry  Farmland  Inclusive finance  Cash  Money market instruments  Other (1)  Other (2)  None of the above | Option for each asset class presented:  🔾 We address ESG incorporation.  🔾 We do not do ESG incorporation. |
| **OO 11.2** | Select the externally managed assets classes in which you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year). | |
|  | Asset class | ESG incorporation and/or active ownership addressed in your external manager selection, appointment and/or monitoring processes |
| Listed equity  Fixed income — SSA  Fixed income — Corporate (financial)  Fixed Income — Corporate (non-financial)  Fixed Income — Securitised  Private equity  Property  Infrastructure  Commodities  Hedge funds  Fund of hedge funds  Forestry  Farmland  Inclusive finance  Cash  Money market instruments  Other (1)  Other (2)  None of the above | *Mutli-select tickboxes for each asset class*:  ❑ We incorporate ESG into our external manager selection process  ❑ We incorporate ESG into our external manager appointment process  ❑ We invest only in pooled funds and external manager appointment is not applicable  ❑ We incorporate ESG into our external manager appointment process  🔾 We do not do ESG incorporation. |
| **OO 11.3a** | If your organisation does not integrate ESG factors into investment decisions on your internally managed assets, please explain why not. | |
| **OO 11.3b** | If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not. | |
| **OO 11.4** | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes. | |
| **OO 11.5** | For your externally managed pooled funds, describe any mechanisms in place to set expectations as part of the appointment or commitment process. | |

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| OO 11 | **EXPLANATORY NOTES** |
| **OO 11** | Your responses to this indicator will determine which indicators or modules you will see in later stages of the Reporting Framework. |
| **OO 11.1** | To find out more on how your peers have responded on this practice, view our analysis and visualisation on the Responsible investment page of [our interactive data report](https://app.powerbi.com/view?r=eyJrIjoiMDY2Y2JiZDItMzk4Zi00NDQyLTg5MWUtMzExYmU2OGYwNTIzIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) for directly managed assets available on the [Data Portal](https://www.unpri.org/report/access-data) and the [PRI website](https://www.unpri.org/report/data-findings). |
| **OO 11.2** | To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the [Data Portal](https://www.unpri.org/report/access-data) and the [PRI website.](https://www.unpri.org/report/data-findings) |
| **OO 11.3** | This may include a discussion of the asset classes in which you are not implementing PRI Principle 1 about ESG incorporation and/or Principle 2 about active ownership. |
| **OO 11.5** | If you invest in pooled funds, you can describe any other mechanism in place to set expectations as part of the appointment or commitment process in the. This may for example be informally setting expectations through conversations and relationship building. |
| **LOGIC** | |
| **OO 11.1** | Internally managed assets:   * For Listed Equity, selecting "We address ESG incorporation" will trigger the LEI module. * For Fixed Income asset classes, selecting "We address ESG incorporation" will trigger the applicable fixed income categories’ indicators in the FI module - for example, "We address ESG incorporation" for "SSA" will trigger SSA reporting in the Fixed Income module. * For all other asset classes for which there is a module, this selection will trigger the applicable asset class module. However, if your AUM is below the 10% threshold, you will be able to choose to not report on it in OO 12. In the case of infrastructure, which is a voluntary module in this reporting period, you will be able to choose to not report on it even if it is above the threshold. * For all other asset classes for which there is no module, selecting this option will trigger a free text box in SG 16 (for internally managed assets) and/or SG 17 (for externally managed assets), in which you can describe your approach. |
| **OO 11.2** | Externally managed assets:   * For all asset classes, this selection will trigger the applicable indicators in the SAM module, for example if you report "Appointment" for Listed Equity, you will be able to report for Listed Equity appointment in SAM 04.1. * If your AUM is below the 10% threshold, you will be able to choose to not report on it in OO 12. * In the case of the Infrastructure asset class, the 10% threshold does not apply and you will be able to choose whether to report on it in OO 12. |
| **OO 11.5** | This question appears if you select ”We invest only in pooled funds and external manager appointment is not applicable” in OO 11.2 |
| **ASSESSMENT** | |
| **OO 11** | This indicator is not directly assessed but information disclosed here may have an impact on the assessment of other modules; if you have less than 10% in an asset class, you will still be required to report on whether you addressed ESG incorporation into your investment decisions and/or your active ownership practices, and this is considered in the assessment.  If you select the option “We invest only in pooled funds and do not do appointment “ then you will score NA for the Appointment section in the SAM module.  Where there is an asset class presented as an option but it has not been ticked, the following apply:   * OO 11.1: an “E” for the direct modules which are present as a tickbox but have not been ticked * OO 11.2: an “E” for the indirect modules which are present as a tickbox but have not been ticked |

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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 |
| OO SAM 01 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY | GENERAL |

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| OO SAM 01 | INDICATOR | | | | | | |
| **OO SAM 01.1** | 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** | | | | | |
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|  | Passive | % | % | % | % | % | |
|  | Active—quantitative (quant) | % | % | % | % | % | |
|  | Active—fundamental and other active | % | % | % | % | % | |
|  | **Total externally managed listed equities/fixed income** | **100%** | **100%** | **100%** | **100%** | **100%** | |
| **OO SAM 01.2** | Additional information  [Optional] | | | | | | |
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| OO SAM 01 | **EXPLANATORY NOTES** |
| **OO SAM 01.1** | 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** | |
| OO SAM 01 | [OO SAM 01] will be applicable if you reported any externally managed listed equity or fixed income in [OO 05.1]  Your response to [OO SAM 01.1] determines which parts of indicator [SAM 01.1] are applicable; the SAM 01.1 indicator has Active and Passive investment strategy sections.  For example, if you report using passive investment strategies in relation to Listed Equity in [OO SAM 01.1], you will only see the part of [SAM 01.1] that is relevant to passive investment strategies for Listed Equity. |

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| SAM 01 | **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 01 | MANDATORY | DESCRIPTIVE | PRI 1 |

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| SAM 01 | INDICATOR | | | | | | |
| **SAM 01.1** | Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for **all** your listed equity and/or fixed income assets: | | | | | | |
|  |  | **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 01.2** | Additional information  [Optional] | | | | | | |
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| SAM 01 | **EXPLANATORY NOTES** |
| **SAM 01.1** | Please report the strategies your require your managers to implement for all your listed equity and/or fixed income assets, not just those that are ESG-specific funds or products.  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.  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |
| **LOGIC** | |
| **SAM 01** | Your response to [OO SAM 01.1] determines which parts of indicator [SAM 01.1] are applicable; the SAM 01.1 indicator has Active and Passive investment strategy sections.  For example, if you report using passive investment strategies in relation to Listed Equity in [OO SAM 01.1], you will only see the part of [SAM 01.1] that is relevant to passive investment strategies for Listed Equity. |

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| SAM 01 | **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?ac=1453) 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 02 | MANDATORY | CORE ASSESSED / ADDITIONAL ASSESSED | PRI 1 |

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| SAM 02 | | INDICATOR | | | | | | | | | | | | | |
| **SAM 02.1** | 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** |
| Your organisation’s investment strategy and how ESG objectives relate to it | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| ESG incorporation requirements | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| ESG reporting requirements | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| Other \_\_\_\_\_ | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| No RI information covered in the selection documentation | | ❑ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ |
| **SAM 02.2** | 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 offering vs. your/beneficiaries’ requirements | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Assess the quality of investment policy and its references to ESG | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Assess the investment approach and how ESG objectives are implemented in the investment process | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Review the manager’s firm-level vs. product-level approach to RI | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | 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 oversight and responsibilities of ESG implementation | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | Review how ESG implementation is incentivised | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
| Review the manager’s RI-promotion efforts and engagement with the industry | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
| Other, specify \_\_\_\_ | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
| None of the above | | | ❑ | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | |
|  | **Process/portfolio construction/investment valuation** | | | | | | | | | | | | | | |
| Review the process for ensuring the quality of ESG data used | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree the use of ESG data in the investment decision making process | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree the impact of ESG analysis on investment decisions | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact) | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree manager’s ESG risk framework | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review how ESG materiality is evaluated by the manager | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review process for defining and communicating on ESG incidents | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Review and agree ESG reporting frequency and detail | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| Other, specify \_\_\_\_ | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| None of the above | | | ❑ | | | ❑ | | ❑ | | ❑ | | ❑ | ❑ | |
| **SAM 02.3** | | Indicate the selection process and its ESG/RI components | | | | | | | | | | | | | | |
| ❑ Review ESG/RI responses to RfP, RfI, DDQ etc.  ❑ Review responses to PRI’s Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)  ❑ Review publicly available information on ESG/RI  ❑ Review assurance process on ESG/RI data and processes  ❑ Review PRI Transparency Reports  ❑ Request and discuss PRI Assessment Reports  ❑ Meetings with the potential shortlisted managers covering ESG/RI themes  ❑ Site visits to potential managers’ offices  ❑ Other, specify \_\_\_\_ | | | | | | | | | | | | | | |
| **SAM 02.4** | When selecting external managers does your organisation set or use any of the following: | | | | | | | | | | | | | | |
|  |  | | | | **All assets** | | | **Asset class 1** | | **Asset class 2** | | **Asset class 3** | **Asset class 4** | **Asset class 5** | |
|  | ESG performance development targets | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | ESG score | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | ESG weight | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | Real economy targets | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | Other RI considerations \_\_\_\_ | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
|  | None of the above | | | | ❑ | | | ❑ | | ❑ | | ❑ | ❑ | ❑ | |
| **SAM 02.5** | | Describe how the ESG information reviewed and discussed affects the selection decision making process.  [Optional] | | | | | | | | | | | | | | |
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| SAM 02 | **EXPLANATORY NOTES** | | |
| **SAM 02** | This indicator is aligned with the OECD Responsible Business Conduct for Institutional Investors recommendations.  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.  For our most recent guidance on manager selection, please see ‘[Asset owner guide: Enhancing manager selection with ESG insight’](https://www.unpri.org/selecting-appointing-and-monitoring-managers/asset-owner-guide-enhancing-manager-selection-with-esg-insight-/2731.article) by the PRI, March 2018.  You may also find these resources useful:  [*Crafting an investment strategy – a process guidance for asset owners*](https://www.unpri.org/download_report/22177)  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.  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. | | |
| **SAM 02.1** | 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 02.2** | The options containing the wording ‘Review and agree…’ refer to reviewing a certain aspect of the potential investment manager’s approach and concluding that this approach is sufficiently enough aligned with your own beliefs, strategy and policy.  ‘Assess the time horizon of the investment manager’s offering vs. your/beneficiaries’ requirements’ – 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.  ‘Review the manager’s firm-level vs. product-level approach to RI’ – this can include ensuring that the top-level ESG strategy of the firm is consistent with how the manager is implementing ESG on a product-level.  ‘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 the RI-promotion and engagement with the industry to enhance RI implementation’ – The investment manager might for instance be providing or supporting education or training on RI to clients, consultants and other stakeholders, encouraging better transparency and disclosure of RI practices across the industry, speaking publicly at events and conferences to promote RI, supporting academia on RI research etc.  ‘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 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 ESG objectives (e.g. risk reduction, return seeking, real-world impact)’– This could include identifying the ESG areas that your organisation wants to prioritise and what the desired outcome is within the given investment horizon, and then agreeing how this should be linked with the investment manager’s investment strategy, investment policy, investment process, and performance review. ESG objectives could include ESG risk reduction, exclusions, ESG considerations in the investment decision making process and other integration objectives, particular ESG related outcomes and real-world impact, emissions reductions or similar.  ‘Review and agree manager’s ESG risk framework’ – understanding how the manager identifies, measures and manages ESG risk  ‘Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG ’ – 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 02.3** | 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.  ‘Review assurance process’ refers to reviewing the assurance process that the investment manager applies to its financial or other reports. Reviewing this process would ideally result in you as an organisation being more confident in the data and information that the investment manager presents to you.  PRI’s *Limited Partners' Responsible Investment Due Diligence Questionnaire* (LP DDQ) can be found [here.](file:///C:/Users/senita.galijatovic/Downloads/PRI-LP-Responsible-Investment-DDQ%20(1).pdf) | | |
|  | | | |
| **LOGIC** | | | |
| **SAM 02** | This indicator is applicable for (asset classes) where:  • You selected (asset class) in OO 11.2 (your organisation/your investment consultants address ESG incorporation or active ownership in your external manager selection), and:  • You selected (asset class) in OO 12.1 (you do RI implementation via external managers) | | |
| **ASSESSMENT** | | | |
| **SAM 02** | Maximum score: 18 ★ per asset class.  Please note that SAM 02.2 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 02.1** | | |
|  | “No RI information covered in the RFPs” | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | ***Core Assessed*** | | |
|  | SAM 02.2 – Strategy (a) | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | Additional Assessed | | |
|  | SAM 02.2 – ESG people/oversight (b) | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options or more selected | ★★★ |  |
|  | Core Assessed | | |
|  | SAM 02.2 – Process/portfolio construction/investment valuation (c) | | |
|  | “None of the above” selected | 🞈 |  |
|  | One or two options selected | ★ |  |
|  | Three or four options selected | ★★ |  |
|  | Five or more options selected | ★★★ |  |
|  | Core Assessed | | |
|  | SAM 02.3 | | |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Either “Meetings with the potential shortlisted managers” or “Site visits to potential managers offices” selected | ★★★ |  |
|  | Additional Assessed | | |
|  | SAM 02.4 | | |
|  | “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 03 | MANDATORY | ADDITIONAL ASSESSED | PRI 2 |

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| SAM 03 | INDICATOR | | | | | | | | | |
| **SAM 03.1** | Indicate how your organisation typically evaluates the manager’s active ownership practices in the majority of the manager selection process. | | | | | | | | | |
|  |  | **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 whether 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 policy | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Review the manager’s ability to align voting activities with clients’ specific voting policies | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Review the manager’s process for informing clients about voting decisions | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Ensure whether voting outcomes feed back into the investment decision-making process | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale | ❑ | ❑ | n/a | | n/a | n/a | | n/a | |
| Other voting issues in your selection process; specify \_\_\_\_\_\_\_ | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| None of the above | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| **SAM 03.2** | Describe how you assess if the manager’s engagement approach is effective. | | | | | | | | | |
| ❑ Impact on investment decisions  ❑ Financial impact on target company or asset class  ❑ Impact on ESG profile of company or the portfolio  ❑ Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)  ❑ Other, specify \_\_\_\_\_\_  ❑ None of the above | | | | | | | | | |
| **SAM 03.3** | Describe how you assess if the manager’s voting approach is effective/appropriate | | | | | | | | | |
| ❑ Impact on investment decisions  ❑ Impact on ESG profile of company or the portfolio  ❑ Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)  ❑ Other, specify \_\_\_\_\_\_  ❑ None of the above | | | | | | | | | |
| **SAM 03.4** | Additional information  [Optional] | | | | | | | | | |
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| SAM 06 | **EXPLANATORY NOTES** |
| **SAM 03** | 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.  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.  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  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |

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| **LOGIC** | | | |
| **SAM 03** | [SAM 03] is applicable if you report requiring external managers to engage or vote in [OO 10.1] | | |
| **SAM 03.1** | The engagement section of this indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported for either Listed Equity or Fixed Income: ‘We require our external managers to engage...’.  • The Listed Equity column of table SAM 03.1 will apply if the above apples to Listed Equity  • The Fixed Income (SSA) column of table SAM 03.1 will apply if the above apples to Fixed Income (SSA)  (and so on for the other Fixed Income types)  The voting section of this indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported that for Listed Equity - voting row: "We require our external managers to vote on our behalf". | | |
| **SAM 03.2** | This indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported for either Listed Equity or Fixed Income: ‘We require our external managers to engage...’ | | |
| **SAM 03.3** | This indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported that for Listed Equity - voting row: "We require our external managers to vote on our behalf". | | |
| **ASSESSMENT** | | | |
| **SAM 03** | Maximum of twelve ★ per asset class (maximum of nine ★ for Fixed Income) | | |
| Scored sub-indicator | SAM 03.1 – 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 03.2 – 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 03.3 – 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 04 | MANDATORY | CORE ASSESSED/ADDITIONAL ASSESSED | PRI 1 |

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| SAM 04 | INDICATOR | | | | |
| **SAM 04.1** | 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 and/or commitment process | | | | |
|  | ❑ Sets standard benchmarks or ESG benchmarks  ❑ Defines ESG objectives and/or ESG related exclusions/restrictions  ❑ Sets incentives and controls linked to the ESG objectives  ❑ Requires reporting on ESG objectives  ❑ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards  ❑ Other, specify (1)\_\_\_\_  ❑ Other, specify (2)\_\_\_\_ | | | | |
| **SAM 04.2** | 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** | **ESG Objectives** | **Incentives and controls** | **Reporting requirements** |
|  |  | ❑ Standard benchmark  ❑ ESG benchmark, specify \_\_\_\_\_ | ❑ ESG related strategy, specify \_\_\_  ❑ ESG related investment restrictions, specify \_\_\_  ❑ ESG integration, specify \_\_\_  ❑ Engagement, specify \_\_\_  ❑ Voting, specify \_\_\_  ❑ Promoting responsible investment  ❑ ESG specific improvements  ❑ ESG guidelines/regulation, principles/standards, specify\_\_\_\_  ❑ Other, specify \_\_\_\_\_ | ❑ Fee based incentive  ❑ Communication and remedy of breaches  ❑ Termination  ❑ No fee/ breach of contract | 🔾 Monthly  🔾 Quarterly  🔾 Bi-annually  🔾 Annually  🔾 Ad-hoc/when requested |
| [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 04.3** | Indicate which of these actions your organisation might take if any of the ESG requirements are not met | | | | |
|  | ❑ Discuss requirements not met and set project plan to rectify  ❑ Place investment manager on a “watch list”  ❑ Track and investigate reason for non-compliance  ❑ Re-negotiate fees  ❑ Failing all actions, terminate contract with the manager  ❑ Other, specify \_\_\_\_  ❑ No actions are taken if any of the ESG requirements are not met | | | | |
| **SAM 04.4** | Provide additional information relevant to your organisation's appointment processes of external managers.  [Optional] | | | | |
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| SAM 04 | **EXPLANATORY NOTES** |

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| **SAM 04.1** | If none of the options are relevant for you, please re-consider your response to Organisational Overview (OO) 11.2. If you invest in pooled funds, you can describe any other mechanism in place to set expectations as part of the appointment or commitment process in OO 11.5. This may for example be informally setting expectations through conversations and relationship building. | | |
| **SAM 04.2** | 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 (including ESG related exclusions/restrictions particularly relevant for private equity) 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. An active ownership objective could be to execute engagement/voting activities by following your organisation’s engagement/voting policy or specific ESG position.  ESG specific improvements – objectives might include that the investment manager puts in place an RI policy, undergoes training on ESG and similar.  Incentives and controls: 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.  Communication and remedy of breaches – communication that a breach of contract/agreement has occurred and establish actions to remedy the breach  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.  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website.  For guidance on appointment in private equity, please see ‘[Incorporating responsible investment requirements into private equity fund terms’](https://www.unpri.org/private-equity/incorporating-responsible-investment-requirements-into-private-equity-fund-terms/118.article). | | |
| **LOGIC** | | | |
| **SAM 04** | The asset classes presented in SAM 04.2 will be influenced by which asset classes you reported in OO SAM 01.1 or OO 11.2  [SAM 04] will be applicable if you report ‘Appointment’ for the relevant external asset class in OO 11.2.  [SAM 04.2] is triggered by SAM 04.1 if you select any of the options (excluding Other, specify) | | |
| **ASSESSMENT** | | | |
|  | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
|  | ***Core Assessed*** | | |
|  | **SAM 04.1** | | |
|  | “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 04.2** | | |
|  | No example provided | 🞈 |  |
|  | Example provided | ★★★ |  |
|  | ***Additional Assessed*** | | |
|  | **SAM 04.4** | | |
|  | “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 05 | MANDATORY | CORE ASSESSED / ADDITIONAL ASSESSED | PRI 1 |

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| SAM 05 | INDICATOR | | | | | | | | | | |
| **SAM 05.1** | When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates.. | | | | | | | | | | |
|  |  | **All assets** | **Asset class 1** | **Asset class 2** | **Asset class 3** | | | | | **Asset class 4** | **Asset class 5** |
| ESG objectives linked to investment strategy (with examples) | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Compliance with investment restrictions and any controversial investment decisions | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| 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 | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| RI-promotion and engagement with the industry to enhance RI implementation | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Changes to the oversight and responsibilities of ESG implementation | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| Other general RI considerations in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ | | | | ❑ | | ❑ |
| None of the above | ❑ | ❑ | n/a | n/a | | | n/a | | | n/a |
| **SAM 05.2** | When monitoring external managers, does your organisation set any of the following to measure compliance/progress: | | | | | | | | | | |
|  | ESG score or assessment | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | ESG weight | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | ESG performance minimum threshold | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | Real economy targets | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | Other RI considerations \_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
|  | None of the above | ❑ | ❑ | ❑ | | ❑ | ❑ | | | | ❑ |
| **SAM 05.3** | Provide additional information relevant to your organisation's monitoring processes of external managers.  [Optional] | | | | | | | | | | |
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| SAM 05 | **EXPLANATORY NOTES** | | |
| **SAM 05** | The indicator [SAM 5.2] is aligned with the OECD Responsible Business Conduct for Institutional Investors recommendations.  ESG score and weight does not have to be quantitative; this could also be assurance requirements or complying with minimum standards. ESG weight could for example capture the ESG performance minimum threshold or standards, and trigger points for action when monitoring your manager.  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. | | |
|  | To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website.  To find out more about how LPs can monitor their GPs and the ESG characteristics of their private equity investments, see the ‘[ESG monitoring, reporting and dialogue in private equity](https://www.unpri.org/esg-monitoring-reporting-and-dialogue-in-private-equity/3295.article)’ PRI guidance document. | | |
| **SAM 05.3** | You are encouraged to describe any varieties in your monitoring methods here.  LPs can use this space to report on key monitoring practices and their frequency, such as exception-based reporting, using the LPAC and the Annual Investor Meeting (AIM), using monitoring templates, assessing and scoring GPs, using the PRI Reporting Framework, monitoring ESG incidents, and reviewing GPs’ internal ESG/CSR management and initiatives. Read more about these monitoring methods in the ‘[ESG monitoring, reporting and dialogue in private equity’](https://www.unpri.org/private-equity/esg-monitoring-reporting-and-dialogue-in-private-equity/3295.article) PRI guidance document. | | |
| **LOGIC** | | | |
| **SAM 05** | [SAM 05] will be applicable if you report 'Monitoring' for the relevant external asset class in OO 11.2. | | |
| **ASSESSMENT** | | | |
| **SAM 05** | **Indicator scoring methodology** | | |
|  | **Selected response** | **Level score** | **Further Details** |
| Core Assessed | | |
| **SAM 05.1** | | |
| “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 | ★★★ |
|  | Additional Assessed | | |
|  | **SAM 05.2** | | |
|  | “None of the above” selected | 🞈 |  |
|  | One option selected | ★ |  |
|  | Two options selected | ★★ |  |
|  | Three options selected | ★★★ |  |

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|  | Indicator status | Purpose | Principle |
| SAM 06 | MANDATORY | ADDITIONAL ASSESSED | PRI 1 |

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| SAM 06 | **INDICATOR** | | | | | | |
| **SAM 06.1** | 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 (summary with metrics, themes, issues, sectors or similar) | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Report on engagement ESG impacts (outcomes, progress made against objectives and examples) | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Information on any escalation strategy taken after initial unsuccessful dialogue | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Alignment with any eventual engagement programme done internally | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Information on the engagement activities’ impact on investment decisions | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| 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 rationale of voting decisions taken | ❑ | ❑ | n/a | n/a | n/a | n/a |
| Adherence with the agreed upon voting policy | ❑ | ❑ | 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 06 | **EXPLANATORY NOTES** | | |
|  | This indicator aims to capture how your organisation monitors your managers’ active ownership practices and processes to measure their influence.  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.  Monitoring of engagement activities might entail discussing with your investment managers their escalation strategies in case of initial unsuccessful dialogue (i.e. filing a resolution, informing voting against management, issuing a public statement, considering reducing investment/divesting or litigation).  When reviewing proxy voting activities undertaken by investment managers, your organization might want to monitor that voting decisions have been made in accordance with your agreed upon voting policy and assess any situation where there has been lack of adherence.  If your organisation undertakes some engagement activities in house (as reporting in the LEA module), your monitoring process could include ensuring alignment of your manager’s objectives and results of engagement practices with your internal engagement activities. | | |
| **LOGIC** | | | |
| **SAM 06** | [SAM 06] is applicable if you report requiring external managers to engage or vote in [OO 10.1] | | |
| **SAM 06.1** | The engagement section of this indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported for either Listed Equity or Fixed Income: ‘We require our external managers to engage...’.  • The Listed Equity column of table SAM 03.1 will apply if the above apples to Listed Equity  • The Fixed Income (SSA) column of table SAM 03.1 will apply if the above apples to Fixed Income (SSA)  (and so on for the other Fixed Income types)  The voting section of this indicator is applicable if in the Organisational Overview module, OO 10.1, it was reported that for Listed Equity - voting row: "We require our external managers to vote on our behalf".  "Report on voting undertaken (with outcomes and examples)" will trigger SAM 07.1 | | |
| **ASSESSMENT** | | | |
| **SAM 06** | 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 07 | MANDATORY | CORE ASSESSED | PRI 2 |

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| SAM 07 | INDICATOR | | | | |
| **SAM 07.1** | 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 07.2** | Indicator status | Purpose | | | Principle |
| VOLUNTARY | DESCRIPTIVE | | | PRI 2 |
| For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year. | | | | |
| Number of companies engaged | | |  | |
| Proportion (to the nearest 5%) | | | % | |
| **SAM 07.3** | Additional information  [Optional] | | | | |
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| SAM 07 | **EXPLANATORY NOTES** | | |
| **SAM 07** | When calculating the percentage of votes cast or companies engaged with, please include only those holdings for which you have given external managers the mandate to vote or engage. | | |
| **SAM 07.3** | *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 07** | [SAM 07] is applicable if you selected "Report on voting undertaken" or "Report on engagements undertaken" in [SAM 06]  [SAM 07.1] is triggered if, in [SAM 06.1] you selected "Report on voting undertaken (with outcomes and examples)"  [SAM 07.2] is triggered if, in [SAM 06.1] you selected ‘Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)’ | | |
| **ASSESSMENT** | | | |
| **SAM 07.1** | 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 | ★★ |  |
|  | >95% reported | ★★★ |  |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| SAM 08 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | DESCRIPTIVE | PRI 1 |

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| SAM 08 | INDICATOR | |
| **SAM 08.1** | Describe how you ensure that best RI practice is applied to managing your assets | |
|  | Measures |
| ❑ Encourage improved RI practices with existing investment managers |  |
| ❑ Move assets over to investment managers with better RI practices |  |
| ❑ Other, specify \_\_\_\_\_\_ |  |
| ❑ None of the above | |
| **SAM 08.2** | Additional information  [Optional] | |
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| SAM 08 | **EXPLANATORY NOTES** |
| **SAM 08** | To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [asset owner interactive data report](https://app.powerbi.com/view?r=eyJrIjoiNGFmNmVmZjAtY2QyMS00Mjc3LWFkYTQtOGExMjY3MzJjN2EyIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |

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|  | Indicator status | Purpose | Principle |
| SAM 09 | MANDATORY | ADDITIONAL ASSESSED | PRI 1,6 |

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| SAM 09 | INDICATOR | | | | |
| **SAM 09.1** | 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 | * 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 09.2** | Additional information.  [Optional] | | | | |
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| SAM 09 | EXPLANATORY NOTES |

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| **SAM 09.1** | 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 09.1** | The asset classes in SAM 09.1 will be influenced by which asset classes you reported in OO SAM 01.1 and OO 11.2 | | |
| ASSESSMENT | | | |
| **SAM 09.1** | **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. |