

PRI Reporting Framework

SENIOR LEADERSHIP STATEMENT

2021

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WHO DOES THIS MODULE APPLY TO?

This module applies to all PRI signatories.

The **Senior Leadership Statement** will frame signatories' reporting by providing an overview of their approach and achievements on responsible investment. It should be signed by the Chief Executive Officer, the Chief Investment Officer or a similarly senior member of the organisation's leadership.

This statement will appear at the beginning of signatories' reporting and assessment outputs, providing an introduction to them.

It serves three main purposes:

- Raising internal awareness of, and internal accountability for, PRI reporting and responsible investment in general
- Encouraging internal use of PRI reporting for decision making and for tracking progress on responsible investment
- Facilitating the use of PRI reporting by external stakeholders to learn about signatories' general responsible investment beliefs

The PRI will not score this statement; however, it is mandatory to complete it.

UNDERSTANDING THIS DOCUMENT

INDICATOR HEADER

Key information about each indicator is highlighted in its header.

Indicator ID OO12	Dependent on:	OO 09	Sub-section Governance	PRI Principle 3, 6	Type of indicator CORE
	Gateway to:	OO 14			

- **Indicator ID:** each indicator's unique identifier.
- **Simplified logic:** summarised information on the dependencies between indicators. Complete logic is available under 'Logic' in the explanatory notes.
 - Dependent on: highlights other indicator(s) on which the indicator depends.
 - Gateway to: highlights other indicator(s) unlocked by the indicator.
- **Sub-section** of the module to which the indicator belongs.
- **PRI Principle** to which the indicator relates.
- **Type of indicator:** core or plus.

EXPLANATORY NOTES, DETAILED LOGIC AND ASSESSMENT

Each indicator is accompanied by additional clarifications on how to interpret the indicator, its dependencies on other indicators, and how responses are assessed. This additional information is structured as follows.

Explanatory notes	
Purpose of indicator	Clarifies the indicator's relevance and what it aims to assess. Indicates how it is linked to what the PRI considers better practice.
Additional reporting guidance	Provides guidance on how to interpret and respond to the indicator. Clarifies the scope of the indicator and possible ambiguities, provides examples of what could be reported and clarifies the terms used in the question and answer options. Key terms are defined in the definitions repository, available online.
Other resources	Provides links to useful resources for additional information, guidance or further reading, including PRI publications.
Reference to other standards	Indicates any external sources, standards or frameworks referenced by the indicator.
Logic	
Dependent on	Clarifies how signatories' earlier answers in the reporting framework determine whether, and how, the indicator will apply to them.
Gateway to	Explains how signatories' responses will unlock subsequent indicators in the reporting framework.
Assessment	
Assessment criteria	Indicates the maximum score that can be obtained, and what the assessment is based on.
"Other" scored as	Indicates whether, and how, selecting "Other" as an answer option is scored.
Multiplier	<p>Indicator scores are weighted according to the indicator's importance relative to other indicators.</p> <ul style="list-style-type: none"> ▪ High importance indicators are weighted 2x. ▪ Moderate importance indicators are weighted 1.5x. ▪ Low importance indicators are weighted 1x.

SENIOR LEADERSHIP STATEMENT

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
SLS 1	Gateway to:	N/A	Senior Leadership Statement	GENERAL	CORE

Section 1: Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment?
- What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?

[Free text: Up to 3,000 characters (~400 words)]

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/ or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

[Free text: Up to 3,600 characters (~500 words)]

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

[Free text: Up to 800 characters (~100 words)]

Section 4. Endorsement

“The Senior leadership statement has been prepared and/or reviewed by [name], [position] and reflects [organisation’s name]’s organisation-wide commitment and approach to responsible investment.”

Note to signatories: PRI suggests some wording in option (A) below to explain that the above endorsement is only in respect of the Senior Leadership Statement. This should give the member of the signatory’s senior leadership who is providing the endorsement reassurance that they are not being asked to endorse the entire Reporting Framework.

Signatories may accept the below text by selecting option (A). Alternatively, signatories may select option (B) to adapt the below text or to provide an entirely new text to suit their preferences and/ or to align with any applicable legal requirements or norms in their respective jurisdictions.

(A)

“This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by [organisation’s name] in the various modules of the Reporting Framework.

The Senior Leadership Statement is simply provided as a general overview of [organisation’s name]’s responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgment and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.”

(B)

[Free text: Up to 2,000 characters (~300 words)]

Explanatory notes

<p>Purpose of indicator</p>	<p>The Senior Leadership Statement will frame signatories' reporting by providing an overview of their approach and achievements on responsible investment. It serves three main purposes:</p> <ol style="list-style-type: none"> (1) Raising internal awareness of, and internal accountability for, PRI reporting and responsible investment in general (2) Encouraging internal use of PRI reporting for decision making and for tracking progress on responsible investment (3) Facilitating the use of PRI reporting by external stakeholders to learn about signatories' general responsible investment beliefs <p>The Senior Leadership Statement will appear at the beginning of signatories' reporting and assessment outputs, providing an introduction to them.</p> <p>The PRI will not score this statement; however, it is mandatory to complete it.</p>
<p>Additional reporting guidance</p>	<p>The Senior Leadership Statement should be signed by signatories' Chief Executive Officer, Chief Investment Officer or a similarly senior member of the organisation's leadership.</p> <p>Signatories should aim to address the topics outlined in sections 1, 2 and 3 of the indicator. However, signatories may choose to address only some of the topics outlined in each section, or to discuss them in a different order (within the relevant section). Signatories may also add any further information they find relevant to each section.</p> <p>Section 1. Our commitment When elaborating on "Why we engage in responsible investment", signatories may discuss their responsible investment practices and how these practices add value to their activities.</p> <p>Section 2. Annual overview This section should discuss progress that has come to fruition during the reporting year, and is not restricted to the results of the reporting year's work only. PRI is aware that one year is generally a too short time period to make progress on strategic goals.</p> <p>In this indicator, the "most relevant or material" responsible investment issue refers to the responsible investment issue(s) which signatories believe, or expect, to have the most significant impact (positive or negative) on their organisation and its assets.</p> <p>Section 4. Endorsement The endorsement should be completed by providing the name of the member of the signatory's senior leadership who has drafted or approved the content of the Senior Leadership Statement.</p> <p>This endorsement refers <i>only</i> to the content of the Senior Leadership statement. It does <i>not</i> refer to any of the information reported in other modules of the Reporting Framework. This limitation of scope is highlighted in the wording provided by PRI in option (A) above. Signatories who would prefer to provide their own wording in this regard can do so by selecting option (B) above. Signatories who select option (B) may copy the wording provided by PRI in option (A) and adapt it to their needs. Alternatively, they may provide an entirely new wording of their preference.</p>

Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
This indicator is not assessed. However, it is mandatory for all signatories to complete it.	