

PRI Reporting Framework

MANAGER SELECTION, APPOINTMENT AND MONITORING

2021

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WHO DOES THIS MODULE APPLY TO?

The **selection, appointment and monitoring (SAM)** module is designed for signatories who outsource some or all their investment activities to **external investment managers**.

Signatories who engage **investment consultants** to support them in selecting, appointing and monitoring external managers will be asked to report their own and/or their investment consultants' responsible investment activities.

It is mandatory to complete this module for signatories who have **either 10% of their AUM, or US\$10bn or more**, in an **externally managed** asset class in the relevant reporting year.

However, the following exceptions apply:

- Signatories who have a captive relationship¹ with their external manager(s) affecting over 90% of their externally managed AUM for a specific asset class do not have to report on their external manager selection for that asset class.
- Signatories who only invest their externally managed AUM in **pooled funds** do not have to report on their appointment of external managers.

Indicators on **engagement** and **(proxy) voting** will only be displayed if signatories indicate in the Organisational Overview module that their external managers perform these functions on their behalf for the relevant asset class.

¹ Refers to the relationship between some asset owners and their external manager(s), where the asset owner has limited or no control over the external manager(s) they use. This may be the case, for instance, where the asset owner and external manager(s) belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could freely select a different one.

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.

CORE AND PLUS CHARACTERISTICS

CORE	PLUS
Mandatory	Voluntary
Public	Public or private (signatories' choice)
Closed-ended questions	Mostly open-ended questions
Assessed	Not assessed

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 glossary , 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 basis for assessment.
"Other" scored as	Indicates whether, and how, selecting "Other" as an answer option is scored.
Multiplier	<p>All indicators have 100 points available to be scored within the initial phase of assessment. A multiplier is then applied, weighted according to the indicator's importance relative to other indicators.</p> <ul style="list-style-type: none"> ▪ High importance indicators are weighted x2. ▪ Moderate importance indicators are weighted x1.5. ▪ Low importance indicators are weighted x1.

FREE TEXT ANSWERS: CHARACTER LIMIT

Indicators requesting free text answers indicate the relevant character limit, which signatories should consider when inputting responses into the reporting tool.

	Character limit	Equivalent word limit	Practical meaning	Time to read
Extra Small	50	~ 7	One line	-
Small	500	~ 70	A couple of sentences	-
Medium	2,000	~ 300	~ 0.5 page	~ 45 seconds
Large	5,000	~ 700	~ 1 page	~ 2 minutes
Extra Large	10,000	~ 1400	~ 2 pages	~ 4 minutes

INVESTMENT CONSULTANTS

INVESTMENT CONSULTANT SELECTION [SAM 1]

Indicator ID	Dependent on:	OO 08	Sub-section	PRI Principle	Type of indicator
SAM 1	Gateway to:	N/A	Investment consultant selection	4	CORE

During the reporting year, what responsible investment requirements did you include in all of your selections of **investment consultants**?

(If you did not select any investment consultants during the reporting year, refer to the last reporting year in which you did select investment consultants.)

- (A) We required evidence that they incorporated responsible investment criteria in their advisory services
- (B) We required them to be able to accommodate our responsible investment priorities
- (C) We required evidence that their staff had adequate responsible investment expertise
- (D) We required them to have access to ESG data and quantitative ESG analytical tools to support their recommendations
- (E) We required evidence that the consultants working directly with us would receive additional ESG training where needed
- (F) We required them to analyse the external managers' impact on [sustainability outcomes](#)
- (G) Other, please specify: _____ [Free text: small]
- (H) We did not include responsible investment requirements in our selection(s) of investment consultants

Explanatory notes

Purpose of indicator	<p>This indicator aims to establish whether signatories take into account responsible investment considerations when selecting their investment consultants.</p> <p>The neglect of ESG issues by investment consultants may lead signatories to make suboptimal investment decisions. It is thus considered better practice for signatories to ensure that any services they receive from their investment consultants, whether for specific assignments or for a full-service suite, are aligned with their responsible investment strategies and policies. This helps signatories ensure that they are best fulfilling their fiduciary duty to beneficiaries.</p>
Additional reporting guidance	<p>Signatories should indicate the responsible investment considerations taken into account for the selection of all their investment consultants in the reporting year. Signatories who did not select any investment consultants during the reporting year should refer to the most recent reporting year in which they selected investment consultants.</p>

	<p>In this indicator "evidence" refers to the consultant's documented track record regarding the relevant practice, their documented processes and structures to apply responsible investment considerations in their services, or equivalent documentation.</p> <p>"Quantitative ESG analytical tools" refers to the consultant's ability to perform investment manager and fund assessments and scoring based on ESG considerations.</p>
Other resources	For further PRI guidance on the selection of investment consultants, directed to asset owners but also relevant for investment managers, see Investment consultants and ESG: An asset owner guide .
Logic	
Dependent on	[SAM 1] will be applicable for reporting if "(A) Yes" is selected in [OO 08].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or H. 32 score for 1–2 selections from A–F. 64 score for 3–4 selections from A–F. 100 score for 5 or more selections from A–F.</p>
"Other" scored as	Selecting Other (G) will not be counted as an answer selection by the scoring criteria, provided answer options have been identified as capturing best practice.
Multiplier	Moderate x1.5 weighting.

SELECTION

RESPONSIBLE INVESTMENT POLICY [SAM 2, SAM 2.1]

Indicator ID SAM 2	Dependent on: OO 11		Sub-section Responsible investment policy	PRI Principle 1, 4	Type of indicator CORE
<p>During the reporting year, did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers?</p> <p><i>(If you did not select any external managers during the reporting year, refer to the last reporting year in which you did select external managers.)</i></p>					
		(1) Yes, only when selecting external managers of ESG/sustainability funds	(2) Yes, when selecting external managers of ESG/sustainability funds and mainstream funds <i>(This option also applies to signatories who may not hold ESG/sustainability funds)</i>	(3) We did not include compliance with our responsible investment policy as a pre-requisite when selecting external managers	
(A) Listed equity (active)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(B) Listed equity (passive)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(C) Fixed income (active)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

(D) Fixed income (passive)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Private equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Real estate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes	
Purpose of indicator	<p>Developing a request for proposal or expression of interest questionnaire is one of the first steps in the selection of an investment manager. This indicator aims to establish whether, from this first step, signatories require potential external managers to be aligned with their responsible investment policy.</p> <p>It is considered better practice for signatories to require all potential external managers, both for ESG funds and other funds, to comply with their responsible investment policy as a first step in their selection process.</p>
Additional reporting guidance	<p>Signatories who did not hold ESG/ sustainability funds, but who did include compliance with their responsible investment policy as a pre-requisite when selecting external managers, during the reporting year, should select answer option (2).</p> <p>In this indicator requiring compliance with signatories' responsible investment policy "as a pre-requisite" refers to including this as a requirement in signatories' expression of interest questionnaires or in their requests for proposal.</p> <p>"Compliance with your responsible investment policy" refers to the alignment between the external manager's product offering and the signatory's predefined requirements as set in their responsible investment policy.</p>
Other resources	<p>For further guidance on the incorporation of responsible investment criteria into the selection of external managers, see Asset owner technical guide - investment manager selection guide.</p>
Logic	

Dependent on	[SAM 2] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 11]. The rows shown in [SAM 2] will match the asset classes for which option (1) has been selected in [OO 11].
Gateway to	[SAM 2.1] will be applicable for reporting if options (1) or (2) are selected in [SAM 2] for any asset class. Columns (1-8) will be shown in [SAM 2.1] if options (1) or (2) are selected for the corresponding asset class in [SAM 2].
Assessment	
Assessment criteria	Selection of 1 answer option from (1) or (2) opens assessed indicator. If no answer selection or (3) is selected, then 0 points will be scored for indicator SAM 2.1.

Indicator ID	Dependent on:	SAM 2	Sub-section	PRI Principle	Type of indicator
SAM 2.1	Gateway to:	N/A	Responsible investment policy	1, 4	CORE

In what proportion of cases did your organisation include compliance with your [responsible investment policy](#) as a pre-requisite when selecting external managers?

(1) Listed equity (active)

(A) When selecting external managers of ESG/sustainability funds	[Dropdown list] (1) in all cases (2) in the majority of cases (3) in a minority of cases
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]

(2) Listed equity (passive)

(A) When selecting external managers of ESG/sustainability funds	[As above]
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]

(3) Fixed income (active)

(A) When selecting external managers of ESG/sustainability funds	[As above]
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(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]
(4) Fixed income (passive)	
(A) When selecting external managers of ESG/sustainability funds	[As above]
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]
(5) Private equity	
(A) When selecting external managers of ESG/sustainability funds	[As above]
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]
(6) Real estate	
(A) When selecting external managers of ESG/sustainability funds	[As above]
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]
(7) Infrastructure	
(A) When selecting external managers of ESG/sustainability funds	[As above]

(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]
(8) Hedge funds	
(A) When selecting external managers of ESG/sustainability funds	[As above]
(B) When selecting external managers of ESG/sustainability funds and mainstream funds	[As above]

Explanatory notes	
Purpose of indicator	<p>This indicator aims to establish the proportion of cases where signatories require alignment with their responsible investment policy as a pre-requisite when selecting external managers.</p> <p>It is considered better practice for signatories to include this requirement as a pre-requisite in all cases.</p>
Additional reporting guidance	<p>Option (B) also applies to signatories who did not hold ESG/ sustainability funds, but who did include compliance with their responsible investment policy as a pre-requisite when selecting external managers, during the reporting year.</p> <p>In this indicator requiring compliance with signatories' responsible investment policy "as a pre-requisite" refers to including this as a requirement in signatories' expression of interest questionnaires or in their requests for proposal.</p> <p>"Compliance with your responsible investment policy" refers to the alignment between the external manager's product offering and the signatory's predefined requirements as set in their responsible investment policy.</p>
Other resources	For further guidance on the incorporation of responsible investment criteria into the selection of external managers, see Asset owner technical guide - investment manager selection guide .
Logic	
Dependent on	[SAM 2.1] will be applicable for reporting if columns (1) or (2) are selected in [SAM 2] for any asset class. Options (1-8) will be shown in [SAM 2.1] if columns (1) or (2) are selected for the corresponding asset class in [SAM 2].
Gateway to	N/A

Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 25 score for A. 50 score for B.</p> <p>Coverage: 0 score for no selection. 16 score for minority (3). 32 score for majority (2). 50 score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
Multiplier	Moderate x1.5 weighting.

RESEARCH AND SCREENING [SAM 3]

Indicator ID SAM 3	Dependent on: OO 11		Sub-section Research and screening	PRI Principle 1	Type of indicator CORE
<p>When selecting external managers, which aspects of their organisation do you, or the investment consultant acting on your behalf, assess against responsible investment criteria?</p>					
<p><i>(Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)</i></p>					
<p>(1) Listed equity (active)</p>					
(A) Firm culture	<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>				
(B) Investment approach, objectives and philosophy	<p>[As above]</p>				
(C) Investment policy or guidelines	<p>[As above]</p>				
(D) Governance structure and management oversight, including diversity	<p>[As above]</p>				

(E) Investment strategy and fund structure	[As above]
(F) Investment team competencies	[As above]
(G) Other, please specify: _____ [Free text: extra small]	[As above]
(2) Listed equity (passive)	
(A) Firm culture	[As above]
...	...
(3) Fixed income (active)	
(A) Firm culture	[As above]
...	...
(4) Fixed income (passive)	
(A) Firm culture	[As above]
...	...

(5) Private equity	
(A) Firm culture	[As above]
...	...
(6) Real estate	
(A) Firm culture	[As above]
...	...
(7) Infrastructure	
(A) Firm culture	[As above]
...	...
(8) Hedge funds	
(A) Firm culture	[As above]
...	...

Explanatory notes	
Purpose of indicator	The external managers' corporate culture, investment philosophy and policies, governance and investment strategy and the competencies of their investment team are all key aspects of the organisation when it comes to the implementation of a responsible investment strategy. Therefore, it is considered better practice for signatories to assess these aspects against responsible investment criteria as part of their selection process to gain a substantial understanding of the external managers' ability and predisposition to meet signatories' responsible investment requirements.
Additional reporting guidance	<p>In this indicator to "assess against responsible investment criteria" refers to examining the external manager's ability and predisposition to meet signatories' responsible investment requirements and expectations.</p> <p>"Firm culture" refers to the external managers' incentive structures, beliefs and values related to asset management and fiduciary duties, regardless of the external managers' size and geographical location.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	For further guidance on how to assess these aspects of external managers' organisations against responsible investment criteria, see Asset owner technical guide - investment manager selection guide .
Logic	
Dependent on	[SAM 3] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 11]. The asset classes shown in [SAM 3] will match the asset classes for which option (1) has been selected in [OO 11].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 2–3 selections from A–F. 32 score for 4 selections from A–F. 50 score for 5 or more selections from A–F.</p>

	<p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (5 highest-scoring combinations assessed).</p> <p>Per answer selection A to F, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/5) score for minority (3). 50% of (50/5) score for majority (2). 100% of (50/5) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (G) will not be counted as an answer selection by the scoring criteria, provided answer options have been identified as capturing best practice.
Multiplier	Moderate x1.5 weighting.

INVESTMENT PRACTICES [SAM 4, SAM 5]

Indicator ID	Dependent on:	OO 11	Sub-section	PRI Principle	Type of indicator
SAM 4	Gateway to:	N/A	Investment practices	1	CORE
<p>Which responsible investment practices does your organisation, or the investment consultants acting on your behalf, require as part of your external manager selection criteria?</p> <p><i>(Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)</i></p>					
<p>As part of the selection criteria, we require that external managers:</p>					
(1) Listed equity (active)					
(A) Incorporate material ESG factors in all of their investment analyses and decisions			<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>		
(B) Incorporate their own responsible investment policy into their asset allocation decisions			[As above]		
(C) Have adequate resources and processes to analyse ESG factors			[As above]		
(D) Incorporate material ESG factors throughout their portfolio construction			[As above]		

(E) Engage with underlying portfolio assets to address ESG risks and opportunities	[As above]
(F) Comply with their own exclusions policy	[As above]
(G) Embed ESG considerations in contractual documentation	[As above]
(H) Implement adequate disclosure and accountability mechanisms	[As above]
(I) Are willing to work in partnership with our organisation to develop their responsible investment approach	[As above]
(J) Track the positive and negative sustainability outcomes of their activities	[As above]
(K) Other, please specify: ____ [Free text: extra small]	[As above]
(2) Listed equity (passive)	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...
(3) Fixed income (active)	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]

...	...
(4) Fixed income (passive)	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...
(5) Private equity	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...
(6) Real estate	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...
(7) Infrastructure	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...

(8) Hedge funds	
(A) Incorporate material ESG factors in all of their investment analyses and decisions	[As above]
...	...

Explanatory notes

Purpose of indicator	It is considered better practice for signatories to include comprehensive responsible investment requirements when selecting external managers. This allows external managers to capture a broader range of risks and opportunities and to consider the sustainability outcomes of their activities, helping signatories fulfil their fiduciary duty.
Additional reporting guidance	<p>An "exclusions policy" (or screening policy) may be a standalone policy or be part of a broader responsible investment policy.</p> <p>In this indicator "contractual documentation" refers to the core legal documents stipulating the investment agreement between the signatory and the external manager. This could take the form of an investment management agreement, limited partnership agreement, side letters or addenda.</p> <p>The expression "adequate disclosure and accountability mechanisms" refers to appropriate client reporting and internal and/or independent/external verification of investment processes and data.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide .

Logic

Dependent on	[SAM 4] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 11]. The asset classes shown in [SAM 4] will match the asset classes for which option (1) has been selected in [OO 11].
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Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 3–5 selections from A–K. 32 score for 6–7 selections from A–K. 50 score for 8 or more selections from A–K.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (8 highest-scoring combinations assessed).</p> <p>Per answer selection A-K each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/8) score for minority (3). 50% of (50/8) score for majority (2). 100% of (50/8) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (K) will be accepted by the scoring criteria and is equivalent to selecting options A–J.
Multiplier	High x2 weighting.

Indicator ID SAM 5	Dependent on:	OO 11	Sub-section Investment practices	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Does your organisation, or the investment consultants acting on your behalf, expressly assess the following practices regarding derivatives and short positions as part of your manager selection process?

(Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) We assess whether they apply ESG incorporation into derivatives, insurance instruments (such as CDS) and other synthetic exposures or positions	[Dropdown list] (1) we do not allow this practice (2) for all of our externally managed AUM (3) for the majority of our externally managed AUM (4) for a minority of our externally managed AUM (5) for none of our externally managed AUM
(B) We assess how they apply their exclusion policies to short and derivative exposures	[As above]
(C) We assess whether their use of leverage is aligned with their responsible investment policy	[As above]

Explanatory notes

Purpose of indicator	<p>The purpose of this indicator is to understand the extent to which signatories assess responsible investment practices in the use of derivatives and short positions when selecting external managers.</p> <p>It is considered better practice for signatories to demand complete and transparent information about the use of derivatives and short positions when selecting external managers. This information should clarify how potential external managers apply responsible investment considerations and policies to the use of these products and practices. Like any other product or practice, derivatives and short positions are exposed to ESG risks and opportunities and impact external managers' sustainability outcomes. Signatories should thus apply the same level of scrutiny to these products as they do to others.</p>
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Additional reporting guidance	<p>In this indicator "derivatives" refer to instruments such as forwards, futures, swaps and options. Derivatives can be traded via exchanges or bilaterally over the counter (OTC).</p> <p>"Synthetic exposures or positions" refer to any financial instrument imitating underlying physical exposure.</p> <p>An "exclusions policy" (or screening policy) may be a standalone policy or be part of a broader responsible investment policy.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide .
Logic	
Dependent on	[SAM 5] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A, B, C, D or H) in [OO 11].
Gateway to	N/A
Assessment	
Not assessed	

STEWARDSHIP [SAM 6, SAM 7, SAM 8, SAM 9]

Indicator ID SAM 6	Dependent on: OO 9, OO 11		Sub-section Stewardship	PRI Principle 2	Type of indicator CORE
<p>How does your organisation, or the investment consultants acting on your behalf, assess the stewardship policies of investment managers during the selection process?</p> <p><i>(Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)</i></p>					
(1) Listed equity (active)					
(A) We assess the degree to which their stewardship policy aligns with ours			<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>		
(B) We require that their stewardship policy prioritises systemic issues			[As above]		
(C) We require that their stewardship policy prioritises ESG factors beyond corporate governance			[As above]		
(D) We require that their stewardship policy allows for and encourages the use of a variety of stewardship tools			[As above]		

(E) We require that their stewardship policy allows for and encourages participation in collaborative initiatives	[As above]
(F) We require that their stewardship policy includes adequate escalation strategies for instances where initial efforts are unsuccessful	[As above]
(G) Other, please specify: _____ [Free text: small]	[As above]
(2) Listed equity (passive)	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...
(3) Fixed income (active)	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...
(4) Fixed income (passive)	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...

(5) Private equity	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...
(6) Real estate	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...
(7) Infrastructure	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...
(8) Hedge funds	
(A) We assess the degree to which their stewardship policy aligns with ours	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to understand the extent to which external managers' stewardship policies are assessed as part of the selection process.</p> <p>It is considered better practice for signatories to seek ambitious stewardship policies as part of their selection process for external managers, including such elements as the prioritisation of systemic issues, the use of a variety of stewardship tools and an active approach to collaborative initiatives.</p>
Additional reporting guidance	<p>A "stewardship policy" may be a standalone policy or be part of a broader responsible investment policy.</p> <p>In this indicator "prioritising" systemic issues and/or ESG factors beyond corporate governance refers to (i) including these issues among the external manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues in case of a conflict of interest between various stewardship objectives.</p> <p>The "escalation process" refers to the approach an organisation takes in the event that initial stewardship approaches are unsuccessful in a given time period.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	<p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p> <p>For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide.</p>
Logic	
Dependent on	<p>[SAM 6] will be applicable for reporting if (i) option (1) is selected for at least one of the asset classes in options (A-H) in [OO 11], AND (ii) for the same asset class(es), stewardship (engagement and/ or voting) is reported to be conducted via external managers in [OO 09 LE], [OO 09 FI], [OO 09 ALT], and/ or [OO 09 HF] (as applicable).</p> <p>The asset classes shown in [SAM 6] will match those for which conditions (i) and (ii) above are met.</p>
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator divided between lettered and coverage answer options.

	<p>0 score for no selection. 16 score for 2 selections from A, C, G, or 1 selection from B, D, E, F. 32 score for 2 selections from A, C, G and 1 selection from B, D, E, F, or 2 selections from B, D, E, F. 50 score for 2 selections from A, C, G and 2 selection from B, D, E, F, or 3 or more selections from B, D, E, F.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (3 highest-scoring combinations assessed).</p> <p>Per answer selection A to G, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/3) score for minority (3). 50% of (50/3) score for majority (2). 100% of (50/3) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (G) will be accepted by the scoring criteria and is equivalent to selecting options A, C.
Multiplier	High x2 weighting.

Indicator ID SAM 7	Dependent on:	OO 9, OO 11	Sub-section Stewardship	PRI Principle 2	Type of indicator CORE
	Gateway to:	N/A			

How does your organisation, or the investment consultants acting on your behalf, assess the [stewardship](#) practices of external managers as part of the selection process?

(Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

	[Dropdown list]
(A) We assess whether they allocate sufficient resources to stewardship overall	(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM
(B) We assess whether they allocate sufficient resources for systemic stewardship	[As above]
(C) We assess the degree of implementation of their stewardship policy	[As above]
(D) We assess whether their investment team is involved in stewardship activities	[As above]
(E) We assess whether stewardship actions and results are fed back into the investment process and decisions	[As above]
(F) We assess whether they make full use of a variety of tools to advance their stewardship priorities	[As above]

(G) We assess whether they deploy their escalation process to advance their stewardship priorities where initial efforts are unsuccessful	[As above]
(H) We assess whether they participate in collaborative stewardship initiatives	[As above]
(I) We assess whether they take an active role in their participation in collaborative stewardship initiatives	[As above]
(J) Other, please specify: _____ [Free text: small]	[As above]
(2) Listed equity (passive)	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]
...	...
(3) Fixed income (active)	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]
...	...
(4) Fixed income (passive)	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]

...	...
(5) Private equity	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]
...	...
(6) Real estate	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]
...	...
(7) Infrastructure	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]
...	...
(8) Hedge funds	
(A) We assess whether they allocate sufficient resources to stewardship overall	[As above]

...	...
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Explanatory notes

Purpose of indicator	<p>This indicator aims to assess the extent to which signatories examine external managers' stewardship practices across asset classes as part of their selection process.</p> <p>The PRI expects its signatories to be active owners and incorporate ESG issues into their ownership policies and practices. For signatories who use external managers, it is considered better practice to examine whether potential external managers will help them meet their stewardship objectives. Assessing external managers' track records in stewardship activities and policy implementation can assist with this process.</p>
Additional reporting guidance	<p>In this indicator the "resources" allocated to stewardship include the external managers' internal and/or external resources dedicated to furthering stewardship goals. These may include (i) dedicated stewardship or responsible investment teams, (ii) the time spent on stewardship activities by general investment teams, (iii) external providers such as external engagement services or policy engagement organisations and (iv) contributions to public goods (such as research) to further stewardship goals.</p> <p>Option A refers to the signatory's assessment of whether external managers allocate appropriate resources to fully implement their stewardship policy. A "stewardship policy" may be a standalone policy or be part of a broader responsible investment policy.</p> <p>In option B, the term "systemic stewardship" refers to stewardship action which is (1) focused on systemic sustainability issues and (2) uses influence with standard setters, policy makers and other stakeholders (that is, beyond engagement with investees.) Please note that this term is under review and subject to change in future reporting periods.</p> <p>In option C the "degree of implementation of their stewardship policy" refers to the extent to which external managers' past activities matched the commitments and priorities outlined in their stewardship policy.</p> <p>In option G, "escalation process" refers to the approach an organisation takes in the event that initial stewardship approaches are unsuccessful in a given time period.</p> <p>In options H and I "collaborative stewardship initiatives" include those focused on investees and those focused on policymakers (e.g. collaborative policy engagements).</p> <p>In option I external managers are understood to take an "active role" in collaborative stewardship initiatives if they demonstrate significant contributions of time and other resources (commensurate to their AUM) to such initiatives. This may involve being a lead investor for collaborative engagement activities, contributing to the governance of such initiatives (e.g. by chairing or sitting on advisory committees), supporting others in lead roles, making financial contributions etc.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p>

	Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.
Other resources	Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage. For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide .
Logic	
Dependent on	[SAM 7] will be applicable for reporting if (i) option (1) is selected for at least one of the asset classes in options (A-H) in [OO 11], AND (ii) for the same asset class(es), stewardship (engagement and/ or voting) is reported to be conducted via external managers in [OO 09 LE], [OO 09 FI], [OO 09 ALT], and/ or [OO 09 HF] (as applicable). The asset classes shown in [SAM 7] will match those for which conditions (i) and (ii) above are met.
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator divided between lettered and coverage answer options. 0 score for no selection. 16 score for 3–4 selections from A–J. 32 score for 5–6 selections from A–J. 50 score for 7 or more selections from A–J. The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (7 highest-scoring combinations assessed). Per answer selection A to J, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/7) score for minority (3). 50% of (50/7) score for majority (2). 100% of (50/7) score for all (1). Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.
"Other" scored as	Selecting Other (J) will be accepted by the scoring criteria and is equivalent to selecting options A–I.
Multiplier	High x2 weighting.

Indicator ID SAM 8	Dependent on:	OO 9, OO 11	Sub-section Stewardship	PRI Principle 2	Type of indicator CORE
	Gateway to:	N/A			

Which **voting** policies and practices does your organisation, or the investment consultants acting on your behalf, assess when selecting external managers?

(Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

	[Dropdown list]
(A) We assess whether voting rights would sit with us or with the external managers	(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM
(B) We assess the degree to which their (proxy) voting policy aligns with ours	[As above]
(C) We assess whether their (proxy) voting track record demonstrates that they prioritise their stewardship priorities over other factors (e.g. maintaining access to the company)	[As above]
(D) We assess whether their (proxy) voting track record is aligned with our stewardship approach and expectations, including whether it demonstrates the prioritisation of systemic issues	[As above]
(E) We assess whether they have a security lending and borrowing policy and, if so, whether it aligns with our expectations and policies regarding security lending	[As above]

(F) Other, please specify: _____ [Free text: small]	[As above]
(2) Listed equity (passive)	
(A) We assess whether voting rights would sit with us or with the external managers	[As above]
...	...
(3) Hedge funds	
(A) We assess whether voting rights would sit with us or with the external managers	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the extent to which signatories examine external managers' voting policies and practices as part of their selection process.</p> <p>The PRI expects its signatories to be active owners and incorporate ESG issues into their ownership policies and practices. For signatories who use external managers, it is considered better practice to examine whether potential external managers will help them meet these stewardship objectives. Voting is an important tool that can help further stewardship objectives. It is considered better practice for signatories to assess the external managers' voting policies and track records to confirm alignment with those of the signatory. In situations where voting rights for a given mandate are not held by an external manager, it is nonetheless considered better practice to assess overall alignment.</p>
Additional reporting guidance	<p>The voting policy may be a standalone policy, part of a stewardship policy or incorporated into an overall responsible investment policy. External managers may define their organisation's active ownership/stewardship policy directly in their investment policy.</p> <p>In this indicator "prioritising" systemic issues and/or ESG factors beyond corporate governance refers to (i) including these issues among the external manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest between various stewardship objectives.</p>

	<p>A "security lending and borrowing policy" could be either a standalone policy, part of a stewardship policy or part of a wider responsible investment policy. A policy that covers security lending should include (at a minimum) an outline of the approach to security lending and whether or where shares are recalled for voting.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	<p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p> <p>For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide.</p>
Logic	
Dependent on	<p>[SAM 8] will be applicable for reporting if (i) option (1) is selected in [OO 11] for "(A) Listed Equity - Passive", "(B) Listed Equity - Active" and/ or "(H) Hedge Funds", AND (ii) for the same asset class(es), voting is reported to be conducted via external managers in [OO 09 LE] and/ or [OO 09 HF] (as applicable).</p> <p>The asset classes shown in [SAM 8] will match those for which conditions (i) and (ii) above are met.</p>
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 2 selections from A–F. 32 score for 3–4 selections from A–F. 50 score for 5 or more selections from A–F.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (5 highest-scoring combinations assessed).</p> <p>Per answer selection A to F, each option will be worth the following proportion:</p> <ul style="list-style-type: none"> 0 if no answer selection or none (4). 25% of (50/5) score for minority (3). 50% of (50/5) score for majority (2). 100% of (50/5) score for all (1).

	Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.
"Other" scored as	Selecting Other (F) will be accepted by the scoring criteria and is equivalent to selecting options A–E.
Multiplier	Moderate x1.5 weighting.

Indicator ID SAM 9	Dependent on:	OO 11, OO 09 FI	Sub-section Stewardship	PRI Principle 2	Type of indicator CORE
	Gateway to:	N/A			

Which **stewardship** practices does your organisation, or the investment consultants acting on your behalf, assess when selecting external managers that invest in fixed income?

(Per strategy, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Fixed income (active)

	[Dropdown list]
(A) We assess whether they engage with issuers in the context of refinancing operations to advance ESG factors beyond governance	(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM
(B) We assess whether they engage with issuers in the context of refinancing operations to advance systemic issues	[As above]
(C) We assess whether they prioritise ESG factors beyond governance in case of credit events	[As above]
(D) We assess whether they prioritise systemic issues in case of credit events	[As above]

(2) Fixed income (passive)

(A) We assess whether they engage with issuers in the context of refinancing operations to advance ESG factors beyond governance	[As above]
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...	...
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Explanatory notes

Purpose of indicator	<p>This indicator aims to assess the extent to which signatories examine the engagement of external managers with fixed income investees as part of their selection process.</p> <p>Engaging in the context of refinancing operations and credit events is a strategic decision because the investor's influence is higher at these points of the issuance/debt lifecycle. It is considered better practice for signatories to ensure that external managers engage at these points to prioritise systemic issues or ESG factors beyond governance.</p>
Additional reporting guidance	<p>"Prioritising" systemic issues and/or ESG factors beyond corporate governance refers to (i) including these issues among the external manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest between various stewardship objectives.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	<p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p> <p>For further reference on stewardship for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p> <p>For further guidance on how to assess external managers' responsible investment practices, see Asset owner technical guide - investment manager selection guide.</p>

Logic

Dependent on	<p>[SAM 9] will be applicable for reporting if (i) option (1) is selected in [OO 11] for "(C) Fixed Income - Passive" and/ or "(D) Fixed Income - Active", AND (ii) for the same strategy(ies), engagement is reported to be conducted via external managers in OO 09 FI [CCID OOSTW2].</p> <p>The strategies shown in [SAM 9] will match those for which conditions (i) and (ii) above are met.</p>
Gateway to	N/A

Assessment

<p>Assessment criteria</p>	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 1 selection from A–D. 32 score for 2–3 selections from A–D. 50 score for all 4 selections from A–D.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (4 highest-scoring combinations assessed).</p> <p>Per answer selection A to D, each option will be worth the following proportion:</p> <p>0 if no answer selection or none (4). 25% of (50/4) score for minority (3). 50% of (50/4) score for majority (2). 100% of (50/4) score for all (1)</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
<p>Multiplier</p>	<p>Moderate x1.5 weighting.</p>

SUSTAINABILITY OUTCOMES [SAM 10]

Indicator ID SAM 10	Dependent on:	OO 11	Sub-section Sustainability outcomes	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			
<p>How does your organisation, or the investment consultant acting on your behalf, assess external managers' approaches to their sustainability outcomes as part of your selection process?</p> <p><i>(Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)</i></p>					
(A) We assess their track records on advancing sustainability outcomes across their assets			<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>		
(B) We assess whether they have set targets for the sustainability outcomes of their activities or are willing to incorporate our own targets			[As above]		
(C) We assess how they use key levers including asset allocation, engagement and stewardship activities to advance sustainability outcomes			[As above]		
(D) We assess how well they report on their progress on sustainability outcomes across their assets			[As above]		
(E) Other, please specify: _____ [Free text: small]			[As above]		

Explanatory notes

Purpose of indicator	<p>This indicator aims to understand the extent to which signatories include requirements for external managers' approaches to sustainability outcomes as part of their selection process.</p> <p>Investment decisions and active ownership shape sustainability outcomes in the world. For example, they may increase or decrease pollution levels, support employment, lead to discrimination or support inclusion. It is thus considered better practice for signatories to consider the sustainability outcomes of their investments when selecting an external manager.</p>
Additional reporting guidance	<p>In this indicator answer option C refers to external managers intentionally shaping their sustainability outcomes through their asset allocation and engagement and stewardship activities, both with investees and with policymakers.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	<p>For further guidance on the incorporation of sustainability outcomes considerations into the selection of external managers, see Asset owner technical guide - investment manager selection guide.</p> <p>For reference, guidance and case studies on why and how to invest with sustainability outcomes, see the PRI's Sustainable Development Goals.</p>
Logic	
Dependent on	[SAM 10] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 11].
Gateway to	N/A
Assessment	
Not assessed	

DOCUMENTATION AND TRACK RECORD [SAM 11]

Indicator ID	Dependent on:	OO 11	Sub-section	PRI Principle	Type of indicator
SAM 11	Gateway to:	N/A	Documentation and track record	1	CORE
<p>As part of your selection process, which documents does your organisation, or the investment consultants acting on your behalf, review to gain confidence in external managers' responsible investment practices?</p> <p><i>(Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)</i></p>					
(A) Standard client reporting, responsible investment reports or impact reports	<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>				
(B) Responsible investment methodology and its influence on past investment decisions	[As above]				
(C) Historical voting and engagement activities with investees	[As above]				
(D) Historical engagement activities with policymakers	[As above]				
(E) Compliance manuals and portfolios to ensure universal construction rules are applied (e.g. exclusions , thematic, best-in-class definitions and thresholds)	[As above]				
(F) Controversies and incidence reports	[As above]				

(G) Code of conduct or codes of ethics	[As above]
(H) Other, please specify: _____ [Free text: small]	[As above]

Explanatory notes	
Purpose of indicator	An important step in the selection process is to validate the information provided by the investment manager. It is considered better practice for signatories to test the external manager team's ESG incorporation skills and track record, its activities around ownership duties and its ability to recognise positive or negative outcomes from its investment decisions. To evaluate this, they should request the necessary documentation from the external manager.
Additional reporting guidance	<p>In this indicator "responsible investment methodology" refers to the process and data used by the external manager to arrive at investment decisions incorporating ESG factors. This could include, for example, valuation methodologies or risk frameworks.</p> <p>"Historical engagement activities with policymakers" include, for example, submissions made to public policymakers, disclosures of political donations, lobbying activities and relationships with third-party organisations that conduct lobbying on behalf of the external manager or with their endorsement.</p> <p>Throughout the reporting framework, the PRI seeks to capture the scope and depth of signatories' policies and activities by asking about AUM coverage, frequency of activities or similar. In this indicator, when indicating the proportion of their externally managed AUM to which each selection practice applies, signatories should (i) refer to their externally managed AUM during the reporting year and (ii) refer to how the external managers for such assets were selected, regardless of the point in time when they were selected.</p> <p>Per asset class, any assets under a captive relationship with external managers should be excluded from the total (i.e. the denominator) when calculating the proportion of externally managed AUM to which a certain practice applies. The term "captive relationship" refers to the relationship between some asset owners and their external manager(s), in which the asset owner must work with a specific external manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external manager belong to the same group or corporation. This does not include cases where the signatory has a strong historical relationship with their external manager but could have freely selected a different one.</p>
Other resources	<p>For further guidance on how to examine external managers' track records and documentation as part of the selection process, see Asset owner technical guide - investment manager selection guide.</p> <p>For further guidance on how to assess external managers' ESG incorporation methodology for different asset classes, see the PRI's Investment tools.</p>
Logic	
Dependent on	[SAM 11] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 11].

Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 2–3 selections from A–H. 32 score for 4–5 selections from A–H. 50 score for 6 or more selections from A–H.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (6 highest-scoring combinations assessed).</p> <p>Per answer selection A to H, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/6) score for minority (3). 50% of (50/6) score for majority (2). 100% of (50/6) score for all (1).</p>
"Other" scored as	Selecting Other (H) will be accepted by the scoring criteria and is equivalent to selecting options A–G.
Multiplier	High x2 weighting.

APPOINTMENT

POOLED FUNDS [SAM 12]

Indicator ID	Dependent on:	OO 12, OO 05.1, OO 15	Sub-section	PRI Principle	Type of indicator
SAM 12	Gateway to:	N/A	Pooled funds	4	CORE
<p>How did your organisation, or the investment consultants acting on your behalf, include responsible investment requirements for pooled funds in your current contracts with external managers?</p> <p><i>(Indicate the proportion of your AUM invested in pooled funds to which each of these requirements applies, regardless of when you appointed your different external managers.)</i></p>					
(A) We amended or instituted side letters or equivalent legal documentation to include responsible investment requirements			[Dropdown list]	(1) for all of our AUM invested in pooled funds (2) for the majority of our AUM invested in pooled funds (3) for a minority of our AUM invested in pooled funds (4) for none of our AUM invested in pooled funds	
(B) We encouraged the external manager to include responsible investment requirements into the investment mandate, the investment management agreement or equivalent legal documentation			[As above]		

Explanatory notes

Purpose of indicator	This indicator aims to assess whether signatories include any binding responsible investment requirements when appointing external managers for pooled funds.
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	The purpose of the appointment process is to transfer investment mandate requirements into legally binding documentation. It is thus considered better practice for signatories to include responsible investment requirements in this legal documentation to ensure that the external managers' activities will meet the responsible investment requirements laid out in the signatories' requests for proposals.
Additional reporting guidance	<p>Responses should indicate the investment requirements included in signatories' current contracts with external managers of pooled funds, regardless of the date of their appointment.</p> <p>In this indicator the term "responsible investment requirements" refers to the signatories' own responsible investment requirements as laid out in their responsible investment policy, request for proposal or similar documentation.</p> <p>"Encouraging" the external manager to include responsible investment requirements may refer to negotiating and using the signatory's influence to request the relevant pooled fund to be managed in line with more demanding responsible investment requirements.</p>
Other resources	For further guidance on potential clauses to include in external managers' appointment contracts, see Asset owner technical guide - investment manager appointment guide .
Logic	
Dependent on	<p>[SAM 12] will be applicable for reporting if:</p> <p>EITHER (i) option (1) is selected for any of the asset classes listed in options (A-H) in [OO 12], and >0% of externally managed AUM are reported to be invested in pooled funds in [OO 05.1],</p> <p>OR (ii) "(A) Yes" is selected in [OO 15].</p>
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for A. 32 score for B. 50 score for both A and B.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (2 highest-scoring combinations assessed).</p> <p>Per answer selection A, B, each option will be worth the following proportion:</p> <p>0 if no answer selection or none (4).</p> <p>25% of (50/2) score for minority (3).</p> <p>50% of (50/2) score for majority (2).</p> <p>100% of (50/2) score for all (1).</p>

Multiplier	High x2 weighting.
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SEGREGATED MANDATES [SAM 13]

Indicator ID	Dependent on:	OO 12, OO 05.1	Sub-section	PRI Principle	Type of indicator
SAM 13	Gateway to:	N/A	Segregated mandates	4	CORE
<p>When setting up segregated mandates with external managers, which responsible investment clauses did your organisation, or the investment consultants acting on your behalf, include in your current contractual agreements?</p> <p><i>(Indicate the proportion of your AUM invested in segregated funds to which each of these requirements applies, regardless of when you appointed your different external managers.)</i></p>					
(A) The manager's commitment to follow our responsible investment strategy in the management of our assets			<p>[Dropdown list]</p> <p>(1) for all of our AUM invested in segregated mandates (2) for the majority of our AUM invested in segregated mandates (3) for a minority of our AUM invested in segregated mandates (4) for none of our AUM invested in segregated mandates</p>		
(B) The manager's commitment to incorporate material ESG factors into its investment and stewardship activities			[As above]		
(C) Exclusion list(s)			[As above]		
(D) Responsible investment communication and reporting obligations, including on stewardship activities and results			[As above]		
(E) Stewardship commitments in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action			[As above]		

(F) Where applicable, commitment to fulfil a clear policy on security lending aligned with our own security lending policy or with the ICGN Securities Lending Code of Best Practice	[As above]
(G) Incentives and controls to ensure alignment of interests	[As above]
(H) Commitments on climate-related disclosure in line with internationally recognised frameworks such as the TCFD	[As above]
(I) If applicable, commitment to disclose against the EU Taxonomy	[As above]
(J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights	[As above]
(K) The manager's acknowledgement that their appointment was conditional on their fulfilment of their responsible investment obligations	[As above]
(L) Other, please specify: ____ [Free text: small]	[As above]

Explanatory notes

Purpose of indicator	<p>This indicator aims to assess the extent to which signatories include binding responsible investment requirements when appointing external managers for segregated funds.</p> <p>The purpose of the appointment process is to transfer investment mandate requirements into legally binding documentation. It is thus considered better practice for signatories to include responsible investment requirements in this legal documentation to ensure that the external managers' activities will meet the responsible investment requirements laid out in the signatories' requests for proposals.</p>
Additional reporting guidance	<p>Responses should indicate the investment requirements included in signatories' current contracts with external managers of segregated funds, regardless of the date of their appointment.</p>

	<p>In this indicator "contractual agreements" refer to service-level agreements, side letters, investment management agreements (IMA), limited partnership agreements (LPAs), personal contracts or any other legally binding documents that cover the fiduciary duty of the external manager.</p> <p>"Stewardship commitments in line with the PRI's guidance" refers to commitments focused on (i) collaborative action, (ii) outcomes rather than processes and (iii) support of common goals.</p>
Other resources	<p>For further guidance on potential clauses to include in external managers' appointment contracts, see Asset owner technical guide - investment manager appointment guide.</p> <p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p> <p>See also:</p> <ol style="list-style-type: none"> 1. ICGN's Securities Lending Code of Best Practice, 2. TCFD's guidance on climate-related disclosures, 3. EU Taxonomy, 4. OECD Guidelines for Multinational Enterprises or 5. UN Guiding Principles on Business and Human Rights
Logic	
Dependent on	[SAM 13] will be applicable for reporting if (i) option (1) is selected for any of the asset classes listed in options (A-H) in [OO 12], AND (ii) >0% of externally managed AUM are reported to be invested in segregated mandates in [OO 05.1]
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 2–4 selections from A–L. 32 score for 5–7 selections from A–L. 50 score for 8 or more selections from A–L.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (8 highest-scoring combinations assessed).</p> <p>Per answer selection A to L, each option will be worth the following proportion:</p> <ul style="list-style-type: none"> 0 if no answer selection or none (4). 25% of (50/8) score for minority (3). 50% of (50/8) score for majority (2). 100% of (50/8) score for all (1).

"Other" scored as	Selecting Other (L) will be accepted by the scoring criteria and is equivalent to selecting options A–K.
Multiplier	High x2 weighting.

MONITORING

INVESTMENT PRACTICES [SAM 14, SAM 15, SAM 16]

Indicator ID	Dependent on:	OO 13	Sub-section	PRI Principle	Type of indicator
SAM 14	Gateway to:	N/A	Investment practices	1	CORE
<p>During the reporting year, which aspects of your external manager's responsible investment practices did you, or your investment consultant acting on your behalf, monitor?</p>					
(1) Listed equity (active)					
(A) We monitored their alignment with our organisation's responsible investment strategy			<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>		
(B) We monitored any changes in their responsible investment–related policies , resourcing, oversight and responsibilities or investment processes			[As above]		
(C) We monitored their use of ESG data, benchmarks, tools and certifications			[As above]		
(D) We monitored how ESG incorporation affected investment decisions			[As above]		
(E) We monitored how ESG incorporation affected the fund's financial and ESG performance			[As above]		

(F) We monitored any changes in ESG risk management processes	[As above]
(G) We monitored their response to material ESG incidents	[As above]
(H) Other, please specify: _____ [Free text: small]	[As above]
2) Listed equity (passive)	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(3) Fixed income (active)	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(4) Fixed income (passive)	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(5) Private equity	

(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(6) Real estate	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(7) Infrastructure	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...
(8) Hedge funds	
(A) We monitored their alignment with our organisation's responsible investment strategy	[As above]
...	...

Explanatory notes

Purpose of indicator	<p>This indicator aims to assess the extent to which signatories monitor their external managers' responsible investment practices.</p> <p>Monitoring is key to assessing the responsible investment practices of external managers during the investment period. It is considered better practice for signatories to examine them thoroughly across asset classes to ensure that the terms of the appointment contract are fulfilled.</p>
Additional reporting guidance	Per asset class, signatories should indicate the proportion of their externally managed AUM for which they monitor these responsible investment practices.
Other resources	For further guidance on monitoring external managers' responsible investment practices, including disclosure resources and a disclosure tool, please see Asset owner technical guide - investment manager monitoring guide .
Logic	
Dependent on	[SAM 14] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 13]. The columns shown in [SAM 14] will match those for which option (1) has been selected in [OO 13].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 2–3 selections from A–H. 32 score for 4–6 selections from A–H. 50 score for 7 or more selections from A–H.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (7 highest-scoring combinations assessed).</p> <p>Per answer selection A to H, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/7) score for minority (3). 50% of (50/7) score for majority (2). 100% of (50/7) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (H) will be accepted by the scoring criteria and is equivalent to selecting options A–G.
Multiplier	Moderate x1.5 weighting.

Indicator ID SAM 15	Dependent on:	OO 13	Sub-section Investment practices	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

During the reporting year, which information did your organisation, or the investment consultants acting on your behalf, monitor for externally managed **passive** products?

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) For all ESG passive products, we monitored how the manager applied, reviewed and verified screening criteria	<input type="checkbox"/>	<input type="checkbox"/>
(B) For all ESG passive products, we monitored how the manager rebalanced the product as a result of changes in ESG rankings, ratings or indexes	<input type="checkbox"/>	<input type="checkbox"/>
(C) For all ESG passive products, we monitored whether they met the responsible investment claims made by their managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) For all passive products, we monitored the managers' participation in industry initiatives to enhance responsible investment	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other, please specify: _____ [Free text: small]	<input type="checkbox"/>	<input type="checkbox"/>
(F) We did not monitor passive products	<input type="radio"/>	<input type="radio"/>

Explanatory notes	
Purpose of indicator	<p>This indicator aims to capture how signatories monitor their externally managed passive investments.</p> <p>As in any kind of investment, it is considered better practice for signatories to monitor the ESG incorporation and other aspects of responsible investment in passive products, whether or not they are labelled as ESG.</p>
Additional reporting guidance	In this indicator "rebalancing the product" refers to changes made to the product composition and individual company holdings as a result of changes in ESG rankings, ratings or indexes.
Other resources	<p>For further guidance on monitoring external managers, please see Asset owner technical guide - investment manager monitoring guide.</p> <p>For further reference on responsible investment in passive products, see Discussion paper: How can a passive investor be a responsible investor?</p>
Logic	
Dependent on	[SAM 15] will be applicable for reporting if option (1) is selected for "(A) Listed Equity - Passive" or "(C) Fixed Income - Passive" in [OO 13]. The columns shown in [SAM 15] will match the passive asset class(es) for which option (1) has been selected in [OO 13].
Gateway to	N/A
Assessment	
Not assessed	

Indicator ID SAM 16	Dependent on:	OO 13	Sub-section Investment practices	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Provide an example of a leading practice you adopted as part of your monitoring of your external managers' responsible investment practices in private equity, real estate and/ or infrastructure during the reporting year.

	Please provide examples below:
(A) Private equity	[Free text: medium]
(B) Real estate	[As above]
(C) Infrastructure	[As above]

Explanatory notes

Purpose of indicator	This indicator provides signatories with the opportunity to elaborate on any leading or innovative practices in their monitoring of responsible investment practices in their externally managed alternative investments.
Additional reporting guidance	A "leading practice" refers to any innovative or pioneering practice which, in the signatory's opinion, contributes to advancing ESG incorporation for a specific practice or asset class. It may be applied to a minority, majority or all of the signatory's investments in a specific asset class.
Other resources	For further guidance on monitoring external managers, please see Asset owner technical guide - investment manager monitoring guide . For further reference regarding ESG incorporation in alternative investments, see Alternative investments .

Logic

Dependent on	[SAM 16] will be applicable for reporting if option (1) is selected for "(E) Private Equity", "(F) Real estate" and/or "(G) Infrastructure" in [OO 13]. Row answer options in [SAM 16] will include Private equity, Real estate and/or Infrastructure only if they have been selected in [OO 13].
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Gateway to	N/A
Assessment	
Not assessed	

STEWARDSHIP [SAM 17, SAM 18]

Indicator ID	Dependent on:	OO	Sub-section	PRI Principle	Type of indicator
SAM 17	Gateway to:	N/A	Stewardship	1, 2	CORE
<p>During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' stewardship activities?</p>					
(1) Listed equity (active)					
			[Dropdown list]		
(A) We monitored any changes in stewardship policies and processes			(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM		
(B) We monitored the degree of implementation of their stewardship policy			[As above]		
(C) We monitored their prioritisation of systemic issues			[As above]		
(D) We monitored their prioritisation of ESG factors beyond corporate governance			[As above]		
(E) We monitored their investment team's level of involvement in stewardship activities			[As above]		
(F) We monitored whether stewardship actions and results were fed back into the investment process and investment decisions			[As above]		

(G) We monitored whether they had made full use of a variety of stewardship tools to advance their stewardship priorities	[As above]
(H) We monitored the deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	[As above]
(I) We monitored whether they had participated in collaborative stewardship initiatives	[As above]
(J) We monitored the degree to which they had taken an active role in their participation in collaborative stewardship initiatives	[As above]
(K) Other, please specify: ____ [Free text: small]	[As above]
(2) Listed equity (passive)	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...
(3) Fixed income (active)	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...
(4) Fixed income (passive)	
(A) We monitored any changes in stewardship policies and processes	[As above]

...	...
(5) Private equity	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...
(6) Real estate	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...
(7) Infrastructure	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...
(8) Hedge funds	
(A) We monitored any changes in stewardship policies and processes	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the extent to which signatories monitored their external managers' stewardship practices.</p> <p>Monitoring is key to assessing the stewardship practices of external managers during the investment period. It is considered better practice for signatories to examine such practices thoroughly across asset classes to ensure that the terms of the appointment contract are fulfilled and that the external managers' stewardship practices are aligned with the signatories' interests.</p>
Additional reporting guidance	<p>A "stewardship policy" may be a standalone policy or be part of a broader responsible investment policy.</p> <p>In option B the "degree of implementation of their stewardship policy" refers to the extent to which external managers' past activities matched the commitments and priorities outlined in their stewardship policy.</p> <p>In options C and D "prioritising" systemic issues and/or ESG factors beyond corporate governance refers to (i) including these issues among the external manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest between various stewardship objectives.</p> <p>In option G "escalation process" refers to the approach an organisation takes in the event that initial stewardship approaches are unsuccessful in a given time period.</p> <p>In option I "collaborative stewardship initiatives" include those focused on investees and those focused on policymakers (e.g. collaborative policy engagements).</p> <p>In option J external managers are understood to take an "active role" in collaborative stewardship initiatives if they demonstrate significant contributions of time and other resources (commensurate to their AUM) to such initiatives. This may involve being a lead investor for collaborative engagement activities, contributing to the governance of such initiatives (e.g. by chairing or sitting on advisory committees), supporting others in lead roles, making financial contributions etc.</p>
Other resources	<p>For further guidance on monitoring the stewardship practices of external managers, please see Asset owner technical guide - investment manager monitoring guide.</p> <p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p>
Logic	
Dependent on	<p>[SAM 17] will be applicable for reporting if (i) option (1) is selected in [OO 13] for at least one asset class, AND (ii) for the same asset class(es), stewardship (engagement and/ or voting) is reported to be conducted via external managers in [OO 09 LE], [OO 09 FI], [OO 09 ALT], and/ or [OO 09 HF] (as applicable).</p> <p>The asset classes shown in [SAM 17] will match those for which conditions (i) and (ii) above are met.</p>
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator divided between lettered and coverage answer options.

	<p>0 score for no selection. 16 score for 2–4 selections from A–K. 32 score for 5–7 selections from A–K. 50 score for 8 or more selections from A–K.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (8 highest-scoring combinations assessed).</p> <p>Per answer selection A to H, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/8) score for minority (3). 50% of (50/8) score for majority (2). 100% of (50/8) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (K) will be accepted by the scoring criteria and is equivalent to selecting options A–J.
Multiplier	Moderate x1.5 weighting.

Indicator ID SAM 18	Dependent on:	OO	Sub-section Stewardship	PRI Principle 1, 2	Type of indicator CORE
	Gateway to:	N/A			

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' (proxy) voting activities?

(1) Listed equity (active)

(A) We monitored any changes in (proxy) voting policies and processes	[Dropdown list] (1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM
(B) We monitored whether (proxy) voting decisions were consistent with the managers' stewardship priorities as stated in their policy	[As above]
(C) We monitored whether their (proxy) voting decisions prioritised advancement of stewardship priorities over other factors (e.g. maintaining access to the company)	[As above]
(D) We monitored whether their (proxy) voting track record was aligned with our stewardship approach and expectations, including whether it demonstrated the prioritisation of progress on systemic issues	[As above]
(E) We monitored the application of their security lending policy (if applicable) and whether security lending affected voting	[As above]
(F) Other, please specify: ____ [Free text: small]	[As above]

(2) Listed equity (passive)	
(A) We monitored any changes in (proxy) voting policies and processes	[As above]
...	...
(3) Hedge funds	
(A) We monitored any changes in (proxy) voting policies and processes	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the extent to which signatories monitored their external managers' (proxy) voting practices.</p> <p>Monitoring is key to assessing the (proxy) voting practices of external managers during the investment period. It is considered better practice for signatories to examine voting decisions and policy implementation fully and throughout the investment period to ensure that the terms of the appointment contract are fulfilled and that voting decisions of the external manager are aligned with the signatory's interests.</p>
Additional reporting guidance	<p>The voting policy may be a standalone policy, part of a stewardship policy or incorporated into an overall responsible investment policy. External managers may define their organisation's active ownership/stewardship policy directly in their investment policy.</p> <p>In this indicator "prioritising" systemic issues and/or ESG factors beyond corporate governance refers to (i) including these issues among the external manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest between various stewardship objectives.</p> <p>A "security lending policy" could be either a standalone policy, part of a stewardship policy or part of a wider responsible investment policy. A policy that covers security lending should include (at a minimum) an outline of the approach to security lending and whether or where shares are recalled for voting.</p>
Other resources	<p>For further guidance on monitoring the stewardship practices of external managers, including voting, please see Asset owner technical guide - investment manager monitoring guide.</p> <p>Further information and resources on stewardship can be found on the PRI's dedicated stewardship webpage.</p>

Logic	
Dependent on	[SAM 18] will be applicable for reporting if (i) option (1) is selected in [OO 13] for "(A) Listed Equity - Passive", "(B) Listed Equity - Active" and/ or "(H) Hedge Funds", AND (ii) for the same asset class(es), voting is reported to be conducted via external managers in [OO 09 LE] and/ or [OO 09 HF] (as applicable). The asset classes shown in [SAM 18] will match those for which conditions (i) and (ii) above are met.
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no selection. 16 score for 1–2 selections from A–F. 32 score for 3 selections from A–F. 50 score for 4 or more selections from A–F.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (4 highest-scoring combinations assessed).</p> <p>Per answer selection A to F, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/4) score for minority (3). 50% of (50/4) score for majority (2). 100% of (50/4) score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
"Other" scored as	Selecting Other (F) will be accepted by the scoring criteria and is equivalent to selecting options A–E.
Multiplier	Moderate x1.5 weighting.

SUSTAINABILITY OUTCOMES [SAM 19]

Indicator ID SAM 19	Dependent on:	OO 13	Sub-section Sustainability outcomes	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' progress on sustainability outcomes?

- (A) We reviewed progress on the sustainability outcomes of their activities
- (B) We reviewed how they used asset allocation individually or in partnership with others to make progress on sustainability outcomes
- (C) We reviewed how they used individual or collaborative investee [engagement](#), including [voting](#), to make progress on sustainability outcomes
- (D) We reviewed how they used individual or collaborative systemic stewardship, including policy engagement, to make progress on sustainability outcomes
- (E) We reviewed how they contributed to public goods (such as research) or public discourse (such as media) or collaborated with other actors to track and communicate progress against [global sustainability goals](#)
- (F) Other, please specify: _____ [Free text: small]
- (G) We did not review their progress on sustainability outcomes

Explanatory notes

Purpose of indicator	<p>This indicator aims to assess the extent to which signatories monitored their external managers' progress on sustainability outcomes.</p> <p>Monitoring is key to assessing external managers' progress on sustainability outcomes during the investment period and helps raise and address any points of concern. It is considered better practice for signatories to track this progress thoroughly, assessing external managers' use in this regard of asset allocation, engagement and stewardship with policymakers and investees, as well as other contributions they may or should be making.</p>
Additional reporting guidance	<p>In answer option B "asset allocation ... in partnership with others" refers, for example, to the external managers' participation in impact-oriented blended finance structures with other investors or stakeholders.</p> <p>In option D, "systemic stewardship" refers to stewardship action which is (1) focused on systemic sustainability issues and (2) uses influence with standard setters, policy makers and other stakeholders (that is, beyond engagement with investees.) Please note that this term is under review and subject to change in future reporting periods.</p>

	<p>In answer option E contributing to "public goods (such as research)" refers, for example, to supporting the development of public intellectual property, such as publicly available research, aimed at addressing sustainability issues.</p> <p>Contributing to "public discourse (such as media)" refers to contributions made to shape public debate and raise the profile of a particular sustainability topic or desired sustainability outcome. For example, this could include publishing an opinion piece in the media or running an event on the topic of modern slavery so as to encourage corporate progress on these issues.</p> <p>Collaborating with other stakeholders "to track and communicate progress against global sustainability goals" refers to engaging with standard setters, reporting bodies or similar organisations to help develop resources to track and communicate progress against global sustainability goals. These resources could be insights, data or tools aimed at guiding the efforts of investors and other actors aiming to make progress on global sustainability goals.</p>
Other resources	<p>For further guidance on the incorporation of sustainability outcomes considerations into the selection of external managers, see Asset owner technical guide - investment manager monitoring guide.</p> <p>For reference, guidance and case studies on why and how to invest with sustainability outcomes, see the PRI's Sustainable Development Goals.</p> <p>See also the PRI's Driving Meaningful Data programme, which will work with signatories on the types of data, sources and reporting frameworks needed to support responsible investors.</p>
Logic	
Dependent on	[SAM 19] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 13].
Gateway to	N/A
Assessment	
Not assessed	

REVIEW [SAM 20]

Indicator ID	Dependent on:	OO 13	Sub-section	PRI Principle	Type of indicator
SAM 20	Gateway to:	N/A	Review	1	CORE
<p>During the reporting year, how often did your organisation, or the investment consultants acting on your behalf, require your external managers to report to you on their responsible investment practices?</p>					
(1) Listed equity (active)					
(A) Quarterly or more often	<p>[Dropdown list]</p> <p>(1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM</p>				
(B) Every six months	[As above]				
(C) Annually	[As above]				
(D) Less than once a year	[As above]				
(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)	[As above]				
(2) Listed equity (passive)					
(A) Quarterly or more often	[As above]				

...	...
(3) Fixed income (active)	
(A) Quarterly or more often	[As above]
...	...
(4) Fixed income (passive)	
(A) Quarterly or more often	[As above]
...	...
(5) Private equity	
(A) Quarterly or more often	[As above]
...	...
(6) Real estate	
(A) Quarterly or more often	[As above]
...	...
(7) Infrastructure	

(A) Quarterly or more often	[As above]
...	...
(8) Hedge funds	
(A) Quarterly or more often	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the extent to which signatories demand frequent reporting from external managers.</p> <p>Regular reporting is important for signatories to maintain an understanding of the external managers' activities. Regular monitoring typically improves performance, as under-performing areas can be addressed and issues raised sooner rather than later.</p> <p>The frequency of reporting depends on the needs of the asset owner as well as the type of disclosures involved. Some disclosures may require greater frequency or may be triggered as the result of an incident. Reporting frequency, whether on an annual (at the minimum), quarterly, monthly or ad hoc basis, should be agreed between the signatory and the external manager.</p>
Other resources	For further guidance on monitoring external managers, including reporting and its frequency, see Asset owner technical guide - investment manager monitoring guide .
Logic	
Dependent on	[SAM 20] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 13]. The asset classes shown in [SAM 20] will match those asset classes for which option (1) has been selected in [OO 13].
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator divided between lettered and coverage answer options.

	<p>0 score if no answer selection. 16 score for E. 32 score for D. 50 score for 1 selection from A–C.</p> <p>Coverage: 0 if no answer selection or none (4). 16 score for minority (3). 32 score for majority (2). 50 score for all (1).</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>
Multiplier	Low x1 weighting.

VERIFICATION [SAM 21]

Indicator ID SAM 21	Dependent on:	OO 13	Sub-section Verification	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			
<p>During the reporting year, how did your organisation, or the investment consultants acting on your behalf, verify the information reported by external managers on their responsible investment practices?</p>					
(1) Listed equity (active)					
(A) We required evidence of internal monitoring or compliance			[Dropdown list] (1) for all of our externally managed AUM (2) for the majority of our externally managed AUM (3) for a minority of our externally managed AUM (4) for none of our externally managed AUM		
(B) We required evidence of external monitoring or compliance			[As above]		
(C) We required that they had an independent ESG advisory board or committee			[As above]		
(D) We required verification by an external, independent auditor			[As above]		
(E) Other, please specify: _____ [Free text: small]			[As above]		
(2) Listed equity (passive)					
(A) We required evidence of internal monitoring or compliance			[As above]		

...	...
(3) Fixed income (active)	
(A) We required evidence of internal monitoring or compliance	[As above]
...	...
(4) Fixed income (passive)	
(A) We required evidence of internal monitoring or compliance	[As above]
...	...
(5) Private equity	
(A) We required evidence of internal monitoring or compliance	[As above]
...	...
(6) Real estate	
(A) We required evidence of internal monitoring or compliance	[As above]
...	...
(7) Infrastructure	

(A) We required evidence of internal monitoring or compliance	[As above]
...	...
(8) Hedge funds	
(A) We required evidence of internal monitoring or compliance	[As above]
...	...

Explanatory notes	
Purpose of indicator	<p>This indicator aims to understand the extent to which signatories verify that the ESG information provided by their external managers is correct.</p> <p>Where possible, it is considered better practice for signatories to verify the ESG information provided by external managers. This may involve internal assurance (including internal control systems, internally audited where applicable) or external third-party assurance.</p>
Additional reporting guidance	<p>Signatories should indicate the proportion of their externally managed AUM for which they verified the information provided by their external managers.</p> <p>In option A "internal monitoring or compliance" refers to the external managers' internal control system, i.e. the ongoing controls for the collection and preparation of information to report. This involves their operations, management, compliance and/or risk teams. This internal control system could be audited periodically, either internally or through an outsourced internal auditor.</p> <p>In option B "external monitoring or compliance" refers to the engagement of an external third party to assure the reported ESG information and processes.</p> <p>In option C an "independent ESG advisory board or committee" refers to a body within the external manager's governance structure comprised of independent, non-executive directors or similar.</p> <p>In option D "verification by an external, independent auditor" refers to an explicitly independent, third-party auditing opinion not compromised by internal conflicts of interest.</p>
Other resources	<p>For further guidance on monitoring external managers, including verification, see Asset owner technical guide - investment manager monitoring guide.</p>

Logic	
Dependent on	[SAM 21] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 13]. The asset classes shown in [SAM 21] will match those asset classes for which option (1) has been selected in [OO 13].
Gateway to	N/A
Assessment	
Not assessed	

ENGAGEMENT AND ESCALATION [SAM 22]

Indicator ID	Dependent on:	OO 13	Sub-section				PRI Principle	Type of indicator	
	Gateway to:	N/A							
Which actions does your organisation, or the investment consultants acting on your behalf, include in its formal escalation process to address concerns raised during monitoring?									
	(1) Listed equity (active)	((2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity	(6) Real estate	(7) Infrastructure	(8) Hedge funds	
(A) We notify the external manager about their placement on a watch list	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We engage the external manager's board or investment committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We reduce exposure with the external manager until any non-conformances have been rectified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We terminate the contract with the external manager if failings persist over a (notified) period of time and explain the reasons for the termination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(E) Other, please specify: _____ [Free text: small]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Our organisation does not have a formal escalation process to address concerns raised by monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the steps involved in signatories' formal escalation processes for cases in which external managers fail to meet their commitments.</p> <p>As a result of their monitoring processes, signatories may identify areas for improvement and engage their external managers about them. In the event that this step does not rectify the issue, it is considered better practice for signatories to have a robust escalation process in place. This process should ideally be reflected in the contractual agreement by which external managers are appointed.</p>
Additional reporting guidance	In this indicator a "formal" escalation process refers to an agreed-upon structure and process for escalation, including any oversight and responsibility to carry out said process.
Other resources	For further guidance on monitoring external managers, including action points and escalation, see Asset owner technical guide - investment manager monitoring guide .
Logic	
Dependent on	[SAM 22] will be applicable for reporting if option (1) is selected for any of the asset classes listed in options (A-H) in [OO 13]. The asset classes shown in [SAM 22] will match those asset classes for which column (1) has been selected in [OO 13].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no answer selection or F. 20 score for A. 40 score for 1 selection from B–E. 60 score for 2 selections from A–E. 80 score for 3 selections from A–E. 100 score for 4 or more selections from A–E.</p> <p>Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence the score available from this indicator.</p>

"Other" scored as	Selecting Other (E) will be accepted by the scoring criteria and is equivalent to selecting options A–D.
Multiplier	Moderate x1.5 weighting.