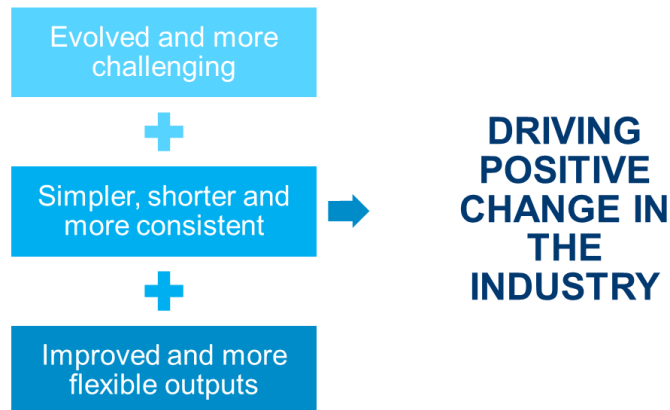


SCORING RECALIBRATION AND ASSESSMENT METHODOLOGY

AN EVOLVED AND MORE CHALLENGING REPORTING FRAMEWORK

To ensure that it meets the overarching goal of driving positive change in the investment market, the PRI's development of the new Reporting Framework followed the three guiding points, as shown below.



Pursuing the aim of having an evolved and more challenging Reporting Framework, the assessment of investment manager and asset owner signatories is being revised, while the scoring methodology has been recalibrated.

For more information about the Reporting & Assessment review and the new Reporting Framework, browse our [dedicated website page](#) and our [FAQs](#).

SCORING METHODOLOGY RECALIBRATION

The scoring methodology has been recalibrated to make assessment more challenging and is based on the following guidelines:

- the primary focus will be on a signatory's responsible investment implementation across their **overall investment process**, rather than looking only at their investment in ESG products;
- the **scope of implementation** of specific responsible investment practices, for example the percentage of AUM covered;
- the level of **sophistication** of the responsible investment practice for the majority of AUM;
- increasing the focus on **consistency**, including how group policies are applied in different asset classes or sub-categories, or how policies are implemented by external managers or service providers;
- having more clarity on the **timeframe** of practices carried out; and
- the inclusion of some **outcomes**-related questions in the assessed 'core' indicators.

ASSESSMENT METHODOLOGY

We will continue to ensure transparency of signatories' activities by publishing their public transparency reports on our website. Scores will continue to be confidential, and be provided per module or asset class, with **no overall organisation score** given.

The assessment methodology will evolve to reflect the changes in the Reporting Framework, in particular:

- Stewardship will be integrated throughout the Reporting Framework; therefore, it will not receive a separate score.
- Only 'core' questions (which are mandatory to report on and publish) will be assessed.
- Module scores will move from band scoring (A+ to E) to a new banding system, to reflect that scores for the 2021 reporting cycle cannot be compared to previous years.
- Indicator scores will move from 0 - 3 stars to a more granular, points-based system.

More detailed guidance on the assessment methodology will be available with the launch of the new Reporting Framework in November 2020.