PRI 2024 Assessment methodology for investors

January 2024
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2024 Assessment Methodology

<table>
<thead>
<tr>
<th>Key changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator-level assessment</td>
<td>Module-level assessment</td>
</tr>
<tr>
<td>We implemented minimal changes to indicator-level assessment to correct errors and improve clarity, where appropriate.</td>
<td>The methodology for how indicator-level assessment translates to module-level assessment scores remains consistent with the 2023 methodology. The 2024 scoring thresholds will be published ahead of the 2024 Outputs launch.</td>
</tr>
</tbody>
</table>

**Assessment process**

<table>
<thead>
<tr>
<th>100 points/question</th>
<th>Variable multipliers</th>
<th>Percentage*</th>
<th>Module level stars</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100</td>
<td>Low</td>
<td>0-100%</td>
<td>1-5 stars</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The percentage is based on the points achieved in all applicable assessed indicators for each module. It is calculated as the total points achieved divided by the total points available (only considering applicable indicators) in the module.
Indicator types

There are two types of indicator in the Reporting Framework:

**Assessed**
- Mandatory
- Public
- Relatively stable
- Process-focused
- Closed-ended

**Not assessed**
- Not assessed
- Voluntary
- Public or private (signatories’ choice)
- Evolving
- Process and outcomes-focused
- Closed- and open-ended

Only ‘core’ indicators are assessed but **free-text responses in ‘core’ indicators are not assessed** as no qualitative data is considered in the scoring.
Scoring styles

For each indicator, signatories can score from 0 to 100 points based on three main approaches:

**Learning curve**
More advanced practices are worth more points.

**More is better**
The more answer options selected; the more points scored.

**Coverage and Frequency**
In some instances, AUM coverage and/or frequency of a practice or conditions will contribute to the points allocation.

See the Appendix for some practical scoring styles examples.
## Scoring styles

### ‘Other’ answer options
The ‘Other, please specify’ options may not receive a score, depending on how well the remaining answer options within the indicator capture the most relevant practices.

### ‘N/A’ - not applicable
The indicator or module is **not applicable** (not scored) when:
- a signatory has no AUM within the asset class / sub-strategy, or
- the indicator is not applicable in a particular signatory’s context.
Asset owners will receive a not applicable (N/A) score for all their internally managed AUM. See page 11 for further details.

### ‘N/R’ - not reported
If a signatory opts out of voluntarily reporting, the module is considered 'not reported' and therefore not scored.

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When ESG is not incorporated into internally and / or externally managed asset classes, signatories will be penalised even when opting out of voluntary reporting. Please refer to pages 11 to 14 for more information.
Scoring pathways

Some indicators will only be applicable for reporting based on the response to previous indicators. In such cases, where the score is also impacted by the responses provided in previous indicators, it means there is a scoring pathway.

Scoring pathways can affect signatories’ scores, and indicators and modules may be penalised based on the information disclosed in previous indicators. The full list of scoring pathways can be found in the Logic Guide, available on the Investor Reporting Framework webpage.

Examples of scoring pathways impacting module scores can be found in pages 11 to 14 of this presentation. Scoring pathways are also outlined in the assessment section of each indicator in the Reporting Framework. Example:

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Further details</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 points for this indicator.</td>
<td>Selecting ‘D’ will result in 0/100 points for this indicator and the following indicator: PGS 31.</td>
</tr>
<tr>
<td>100 points for A.</td>
<td></td>
</tr>
<tr>
<td>50 points for 1 selection from B–C.</td>
<td></td>
</tr>
<tr>
<td>0 points for D.</td>
<td></td>
</tr>
</tbody>
</table>

Examples
Multipliers: How the indicator scores are weighted

How the indicators scores are weighted.

Multipliers reflect the indicator’s relative importance with respect to responsible investment practices and/or the PRI’s overall mission. Every assessed indicator has a multiplier that could be low, medium, or high.

To view them in advance, you can download individual modules via the Investor Reporting Framework page.

- **Multipliers available:**
  - Low
  - Moderate
  - High

### Assessment process

<table>
<thead>
<tr>
<th>100 points/ question</th>
<th>Variable multipliers</th>
<th>Percentage*</th>
<th>Module level stars</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100</td>
<td>Low Moderate High</td>
<td>0-100%</td>
<td>1-5 stars</td>
</tr>
</tbody>
</table>

- A multiplier is applied to every indicator’s score (100 points available).
- The points resulting from the indicator scores and multipliers are then used to calculate the module score.

The numerical multipliers will be visible to signatories in the Reporting Tool and in their Assessment Reports.
## Module-level assessment – Scoring

Module scores are based on the total number of indicator points after multipliers have been applied.

<table>
<thead>
<tr>
<th>Not scored</th>
<th>Senior Leadership Statement (SLS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organisational Overview (OO)</td>
</tr>
<tr>
<td></td>
<td>Sustainability Outcomes (SO)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Module score</th>
<th>Policy, Governance and Strategy (PGS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Confidence-Building Measures (CBM)</td>
</tr>
<tr>
<td></td>
<td>Private Equity (PE)</td>
</tr>
<tr>
<td></td>
<td>Infrastructure (INF)</td>
</tr>
<tr>
<td></td>
<td>Real Estate (RE)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset class/sub-strategy score</th>
<th>Manager Selection, Appointment &amp; Monitoring (SAM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Income (FI)</td>
</tr>
<tr>
<td></td>
<td>Listed Equity (LE)</td>
</tr>
<tr>
<td></td>
<td>Hedge Funds (HF)</td>
</tr>
</tbody>
</table>

Signatories will not receive an **overall organisation score**.
What asset owners should report on

<table>
<thead>
<tr>
<th>INTERNALLY MANAGED ASSETS</th>
<th>EXTERNALLY MANAGED ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>[OO 5] NO ESG INCORPORATION [OO 11]</td>
<td>[OO 5] ESG INCORPORATION [OO 12-OO 14]</td>
</tr>
<tr>
<td>NO REPORTING</td>
<td>NO REPORTING</td>
</tr>
<tr>
<td>SCORE: NOT APPLICABLE (N/A)</td>
<td>SCORE: NOT APPLICABLE (N/A)</td>
</tr>
<tr>
<td>APPLICABLE MODULES: OO</td>
<td>APPLICABLE MODULES: OO</td>
</tr>
<tr>
<td></td>
<td>ESG INCORPORATION [OO 12-OO 14]</td>
</tr>
<tr>
<td></td>
<td>SCORE: 1 STAR</td>
</tr>
<tr>
<td></td>
<td>SCORE: NOT REPORTED (NR)</td>
</tr>
<tr>
<td></td>
<td>APPLICABLE MODULES: OO</td>
</tr>
<tr>
<td></td>
<td>ESG INCORPORATION [OO 12-OO 14]</td>
</tr>
<tr>
<td></td>
<td>ASSET CLASS &lt; USD10BN AND &lt;10% OF TOT AUM [OO 21]</td>
</tr>
<tr>
<td></td>
<td>CHOICE NOT TO REPORT</td>
</tr>
<tr>
<td></td>
<td>CHOICE TO REPORT</td>
</tr>
<tr>
<td>ASSET CLASS &gt;=USD10BN OR &gt;= 10% OF TOT AUM [OO 21]</td>
<td>ASSET CLASS &gt;=USD10BN OR &gt;= 10% OF TOT AUM [OO 21]</td>
</tr>
</tbody>
</table>

Signatories will not receive an overall organisation score.
What investment managers should report on

**INTERNALLY MANAGED ASSETS**
- [OO 5]
- **NO ESG INCORPORATION** [OO 11]
  - **ESG INCORPORATION** [OO 11]
    - **ASSET CLASS < USD 10BN AND <10% OF TOT AUM** [OO 21]
      - **NO REPORTING**
      - **SCORE: NO SCORE (NR)**
        - **APPLICABLE MODULES:** OO | PGS | CBMs
    - **ASSET CLASS >= USD 10BN OR >=10% OF TOT AUM** [OO 21]
      - **CHOOSE NOT TO REPORT**
      - **SCORE: NO REPORTING (NR)**
      - **APPLICABLE MODULES:** OO | PGS | CBMs

**EXTERNALLY MANAGED ASSETS**
- [OO 5]
- **NO ESG INCORPORATION** [OO 12-OO 14]
  - **ESG INCORPORATION** [OO 12-OO 14]
    - **ASSET CLASS < USD 10BN AND <10% OF TOT AUM** [OO 21]
      - **NO REPORTING**
      - **SCORE: NO REPORTING (NR)**
        - **APPLICABLE MODULES:** OO | PGS | CBMs
    - **ASSET CLASS >= USD 10BN OR >=10% OF TOT AUM** [OO 21]
      - **CHOOSE NOT TO REPORT**
      - **SCORE: NO REPORTING (NR)**
      - **APPLICABLE MODULES:** OO | PGS | RELEVANT ASSET CLASSMODULE(S) | CBM

Signatories will not receive an **overall organisation score.**
What investment managers should report on (Fixed income)

**ASSET CLASS: FIXED INCOME**

**INTERNALLY MANAGED ASSETS [OO 05]**

- **NO ESG INCORPORATION [OO 11]**
  - **ASSET CLASS < USD$10BN AND <10% OF TOT AUM [OO 21]**
    - **NO REPORTING**
    - **SCORE: 1 STAR**
      - **APPLICABLE MODULES: OO | PGS | CBM**
  - **ASSET CLASS >= USD$10BN OR >=10% OF TOT AUM [OO 21]**
    - **CHOOSE NOT TO REPORT**
    - **CHOSE TO REPORT**
  - **NO SCORING (NR)**

- **ESG INCORPORATION [OO 11]**
  - **ASSET CLASS < USD$10BN AND <10% OF TOT AUM [OO 21]**
    - **<10% IS REPORTED IN THE RELEVANT ROW IN [OO 5.3 FI]**
    - **NO REPORTING**
    - **SCORE: 1 STAR**
      - **APPLICABLE MODULES: OO | PGS | CBM**
  - **ASSET CLASS >= USD$10BN OR >=10% OF TOT AUM [OO 21]**
    - **>=10% IS REPORTED IN THE RELEVANT ROW IN [OO 5.3 FI]**
    - **NO REPORTING**

Signatories will not receive an **overall organisation score**.
Example: Reporting for Investment managers

Example: a signatory holds < USD 10bn AND <10% of total AUM [OO 5] but does not incorporate ESG [OO 11] in one asset class (e.g. Listed Equity).

Assessment pathway used to score this signatory on the LE module.

Signatories will not receive an overall organisation score.
Scoring thresholds

The number of stars signatories are allocated per module depends on the percentage score they achieve.

- The 2024 scoring thresholds will be published ahead of the 2024 Outputs launch.
- We aim to ensure minimum variation in the scoring thresholds from year to year for consistency.
- See the Reporting & Assessment archive for more information on previous years’ scoring thresholds

Allocated per module/asset class/sub-strategy. There is no overall organisation score.
Resources

More information and Reporting and Assessment resources are available at www.unpri.org/reporting

- Find out more about PRI assessment on our webpage, How investors are assessed on their reporting, including guidance on how to publish your future Assessment scores.

- See the Reporting Framework modules explanatory notes for further details on the indicator-level assessment criteria.
Appendix
## Indicator-level assessment criteria

The indicator-level assessment criteria is explained under each indicator in the Reporting Framework modules.

<table>
<thead>
<tr>
<th>Assessment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment criteria</td>
<td>Indicates the basis for assessment or 'Not assessed'.</td>
</tr>
<tr>
<td>'Other' scored as</td>
<td>Indicates whether, and how, selecting 'Other' as an answer option is scored.</td>
</tr>
</tbody>
</table>
| Multiplier           | All indicators have 100 points available to be scored.  
                        A multiplier is then applied, weighted according to the indicator’s importance relative to other indicators. |
## Indicator-level assessment: Example

Some indicators apply to different sub-strategies. Signatories can score from 0 to 100 points for the indicator, regardless of the number of applicable sub-strategies. Each sub-strategy will receive a separate score.

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Dependent on:</th>
<th>Gateway to:</th>
<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 3</td>
<td>OO 21</td>
<td>N/A</td>
<td>ESG incorporation in research</td>
<td>1</td>
<td>CORE</td>
</tr>
</tbody>
</table>

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

<table>
<thead>
<tr>
<th>Internally managed fixed income asset types</th>
<th>All asset types</th>
<th>(1) SSA</th>
<th>(2) Corporate</th>
<th>(3) Securitised</th>
<th>(4) Private debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) We incorporate material environmental and social factors</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>(B) We incorporate material governance-related factors</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>(C) We do not incorporate material ESG factors for the majority of our fixed income investments</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

**Assessment**

- **Assessment criteria**: 100 points for this indicator. 100 points for both A and B. 66 points for A. 33 points for B. 0 points for C.

- **Multiplier**: Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May.

Further details:

- Selecting ‘C’ will result in 0/100 points for this indicator.
- The number of asset types applicable will not affect the points available for this indicator, as each asset type will receive a separate score.

[ ] Allow multiple selection  [ ] Allow single selection
# Indicator-level assessment: Example of scoring style

For learning curve indicators, more advanced practices are worth more points.

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Dependent on:</th>
<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGS 30</td>
<td>O0 9</td>
<td>Stewardship: (Proxy) voting</td>
<td>2</td>
<td>CORE</td>
</tr>
<tr>
<td>Gateway to:</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
  Provide details on these criteria: ______ [Mandatory free text: medium]
- (C) Other
  Specify: ______ [Mandatory free text: medium]
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

**Assessment**

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>100 points for this indicator.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100 points for A</td>
</tr>
<tr>
<td></td>
<td>75 points for B</td>
</tr>
<tr>
<td></td>
<td>25 points for C</td>
</tr>
<tr>
<td></td>
<td>0 points for D</td>
</tr>
</tbody>
</table>

‘Other’ scored as Selecting Other (C) will be scored 25 points.

**Multiplier**

Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May.

Further details:

- Selecting ‘D’ will result in 0/100 points for this indicator.
- Selecting ‘E’ means the indicator is scored as N/A.
- Signatories will not be penalised for this indicator.
Indicator-level assessment: Example of scoring style

For more is better indicators, the more answer options selected, the more points scored.

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Dependent on</th>
<th>N/A</th>
<th>Sub-section</th>
<th>External reporting and disclosures</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGS 16</td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td>6</td>
<td>CORE</td>
</tr>
</tbody>
</table>

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Assessment

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>100 points for this indicator. 100 points for 6 or more selections from A–J. 66 points for 4–5 selections from A–J. 33 selections for 1–3 selections from A–J. 0 points for K.</th>
<th>Further details: Selecting 'K' will result in 0/100 points for this indicator.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May.</td>
<td>-----------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
Indicator-level assessment: Example with coverage

For indicators with coverage, the available 100 points are divided equally between answer options and coverage selected.

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Dependent on:</th>
<th>Sub-section</th>
<th>PRI Principle</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE 3</td>
<td>OO 21</td>
<td>Materiality analysis</td>
<td>1</td>
<td>CORE</td>
</tr>
<tr>
<td>Gateway to:</td>
<td>RE 3.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

If signatories did not analyse any potential real estate investments in the reporting year, they should refer to the last reporting year in which they analysed potential real estate investments.

- (A) We assessed ESG materiality for each property, as each case is unique
  - [Dropdown list]
    - (1) for all of our potential real estate investments
    - (2) for a majority of our potential real estate investments
    - (3) for a minority of our potential real estate investments

- (B) We performed a mix of property level and property type or category level ESG materiality analysis
  - [As above]

- (C) We assessed ESG materiality at the property type or category level only
  - [As above]

- (D) We did not conduct ESG materiality analysis for our potential real estate investments

### Assessment

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring pair of lettered and coverage answer options only.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50 points for the lettered answer options:</td>
</tr>
<tr>
<td></td>
<td>50 points for A. 33 points for B. 16 points for C. 0 points for D.</td>
</tr>
<tr>
<td>AND</td>
<td>50 points for the coverage:</td>
</tr>
<tr>
<td></td>
<td>50 points for all (1). 25 points for a majority (2). 12 points for a minority (3).</td>
</tr>
<tr>
<td>Multiplier</td>
<td>Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May.</td>
</tr>
</tbody>
</table>

Further details:
- Selecting 'D' will result in 0/100 points for this indicator and the following indicator: RE 3.1