

PRI Reporting Framework

# LISTED EQUITY

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2023

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# TABLE OF CONTENTS

<b>OVERALL APPROACH</b>	<b>4</b>
Materiality analysis [LE 1]	4
LE 1	4
Monitoring ESG trends [LE 2]	7
LE 2	7
<b>PRE-INVESTMENT</b>	<b>9</b>
ESG incorporation in research [LE 3, LE 4]	9
LE 3	9
LE 4	12
ESG incorporation in portfolio construction [LE 5, LE 6]	15
LE 5	15
LE 6	16
Passive investments [LE 7, LE 8]	19
LE 7	19
LE 8	21
<b>POST-INVESTMENT</b>	<b>23</b>
ESG risk management [LE 9, LE 10]	23
LE 9	23
LE 10	25

Performance monitoring [LE 11]	27
LE 11	27
Disclosure of ESG screens [LE 12]	28
LE 12	28

# OVERALL APPROACH

## MATERIALITY ANALYSIS [LE 1]

Indicator ID	Dependent on:	OO 21	Sub-section			PRI Principle	Type of indicator
LE 1	Gateway to:	N/A	Materiality analysis			1	CORE
Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?							
			Internally managed listed equity sub-strategies				
			All sub-strategies	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental	(4) Other strategies
(A) Yes, our investment process incorporates material <b>governance factors</b>			[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM
(B) Yes, our investment process incorporates material <b>environmental</b> and <b>social factors</b>			[As above]	[As above]	[As above]	[As above]	[As above]
(C) Yes, our investment process incorporates <b>material ESG factors</b> beyond our organisation’s average investment holding period			[As above]	[As above]	[As above]	[As above]	[As above]

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion		O	O	O	O
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors		O	O	O	O

Explanatory notes	
<b>Purpose of indicator</b>	This indicator aims to assess the scope and depth of the signatory's research into material ESG factors and whether this has been formalised as part of its investment processes. It is considered good practice for signatories to think longer term and for the analysis of listed equities to extend beyond material governance factors and be adopted as part of an organisation's formal investment process or structure. This process allows for the identification and management of downside risks that might remain undiscovered without ESG data and trend analyses. Formally integrating this analysis into the investment process helps ensure consistency within the organisation.
<b>Additional reporting guidance</b>	<p>A formal process to identify material ESG factors involves the incorporation of some or all of the following three steps:</p> <ul style="list-style-type: none"> <li>(i) Security research: Identifying material ESG factors that may impact equity valuations (or provide topics for engagement).</li> <li>(ii) Security valuation: Integrating material ESG factors into financial analyses and valuations, e.g. by adjusting required rates of return, valuation multiples, forecasted earnings, cash flows and balance sheet strength.</li> <li>(iii) Portfolio management: Including ESG analysis in decisions about risk management and portfolio construction, e.g. through sector or geographical weightings.</li> </ul> <p>In this indicator, a 'formal' investment process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.</p> <p>Material ESG factors are identified and assessed alongside traditional financial factors when forming an investment decision about a specific company or the overall portfolio structure to lower risk and/or enhance returns. Investors apply a range of techniques to identify risks and opportunities that might remain undiscovered without analysing specific ESG data and broad ESG trends. ESG factors differ in relevance and materiality across companies, sectors and markets. This indicator does not relate to the signatory's final judgements about relevance or materiality but to the scope of their research processes.</p>
<b>Other resources</b>	For further guidance, refer to <a href="#">An introduction to responsible investment: listed equity</a> and the PRI's webpage <a href="#">Listed equity</a> .
Logic	
<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A
Assessment	

	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 combination of lettered and coverage answer options.			
<b>Assessment criteria</b>	50 points for the lettered answer options:	<b>AND</b>	50 points for the coverage:	Further details:
	50 points for all 3 selections from A–C. 40 points for both A and B. 30 points for both A and C <b>OR</b> for both B and C. 20 points for 1 selection from A and B. 10 points for C. 0 points for D, E.		Per answer selection A to C, each option will be worth the following proportion: 50/3 points for all (1). 25/3 points for a majority (2). 12/3 points for a minority (3).	Selecting 'D' or 'E' will result in 0/100 points for this indicator.  The number of sub-strategy types applicable will not affect the points available for this indicator, as each sub-strategy type will receive a separate score.
<b>Multiplier</b>	Moderate			

## MONITORING ESG TRENDS [LE 2]

Indicator ID	Dependent on:	OO 21	Sub-section			PRI Principle	Type of indicator
	Gateway to:	N/A					
<p>Does your organisation have a formal process for monitoring and reviewing the implications of changing <b>ESG trends</b> across your <b>listed equity strategies</b>?</p>							
			Internally managed listed equity sub-strategies				
			All sub-strategies	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental	(4) Other strategies
<p>(A) Yes, we have a formal process that includes <b>scenario analyses</b> Specify: _____ [Voluntary free text: medium]</p>			<p>[Dropdown list]</p> <p>(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM</p>	<p>[Dropdown list]</p> <p>(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM</p>	<p>[Dropdown list]</p> <p>(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM</p>	<p>[Dropdown list]</p> <p>(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM</p>	<p>[Dropdown list]</p> <p>(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM</p>
<p>(B) Yes, we have a formal process, but it does not include scenario analyses Specify: _____ [Voluntary free text: medium]</p>			[As above]	[As above]	[As above]	[As above]	[As above]
<p>(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion</p>				O	O	O	O

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies		O	O	O	O
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### Explanatory notes

<b>Purpose of indicator</b>	This indicator aims to assess whether signatories have formalised the review and monitoring of changing ESG trends as part of their investment process. Once material ESG factors have been identified (including whether they are present or potential), it is considered good practice to have a formal process that applies to all AUM across all different listed equity sub-strategies to monitor and review the implications of changing ESG trends. Further, this process should include scenario analyses to assess the impact of these trends on existing holdings.
<b>Additional reporting guidance</b>	In this indicator, a 'formal' process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.  For the purpose of this indicator, 'changing ESG trends' includes changes in regulation, physical climate, technology and consumer demands.  For the purpose of this indicator, 'scenario analysis' is not restricted to climate factors but includes the analysis of other ESG factors relevant to the investment decision.
<b>Other resources</b>	For guidance and case studies on incorporating ESG trends into listed equity investments, see <a href="#">Guidance and case studies for ESG integration: equities and fixed income</a> .

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

### Assessment

<b>Assessment criteria</b>	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.		
	50 points for the lettered answer options:  50 points for A. 33 points for B. 0 points for C, D.	<b>AND</b>	50 points for the coverage:  50 points for all (1). 25 points for a majority (2). 12 points for a minority (3).
	Further details:  Selecting 'C' or 'D' 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.		
<b>Multiplier</b>	Moderate		



# PRE-INVESTMENT

## ESG INCORPORATION IN RESEARCH [LE 3, LE 4]

Indicator ID	Dependent on:	OO 21	Sub-section	PRI Principle	Type of indicator	
LE 3	Gateway to:	N/A	ESG incorporation in research	1	CORE	
How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?						
<b>Internally managed listed equity sub-strategies</b>						
			<b>All sub-strategies</b>	<b>(1) Active – quantitative</b>	<b>(2) Active – fundamental</b>	<b>(3) Other strategies</b>
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process			[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process			[As above]	[As above]	[As above]	[As above]
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process			[As above]	[As above]	[As above]	[As above]

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes		O	O	O
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### Explanatory notes

<b>Purpose of indicator</b>	<p>This indicator aims to assess how well ESG factors are taken into consideration at various stages of a signatory's financial analysis and equity valuation or security rating process across various investment strategies. The reference to financial analysis, equity valuation and security rating is meant to cover the inclusion of quantitative and qualitative information and analysis in the valuation process.</p> <p>The indicator captures approaches across a range of listed equity investment strategies. It is considered good practice to include broader coverage and a range of strategies, including active quant, through the incorporation of ESG factors into the construction of a quant process.</p>
<b>Additional reporting guidance</b>	<p>In this indicator, 'financial analysis' refers to various techniques used by investors to assess a company's current performance and/or estimate future performance, including (but not limited to): analyses of competitive forces, analysis of industry and product growth rates cash flow, operating efficiency, liquidity and solvency analyses, rates of returns analyses and scenario and sensitivity analyses.</p> <p>For quantitative investing approaches, this indicator relates to the consideration of governance, environmental and social risks and characteristics (in the form of ratings or metrics) of large numbers of securities used to design investment factors and investment strategies based on such factors.</p> <p>In this indicator, 'equity valuation' refers to tools and techniques used by investors to estimate the value of a company's equity.</p> <p>In this indicator, 'security rating' refers to the use of various techniques to assess a security, issuer or asset's characteristics and generate a ranking on an absolute or relative (to other securities) scale. Security rating may also refer to an analyst's recommendation to buy, sell or hold.</p>
<b>Other resources</b>	For further guidance, refer to <a href="#">A practical guide to ESG integration for equity investing</a> .

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

### Assessment

<b>Assessment criteria</b>	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 combination of lettered and coverage answer options.
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	<p>50 points for the lettered answer options:</p> <p>50 points for 3 selections from A–C.  40 points for both B and C.  30 points for both A and B <b>OR</b> for both A and C.  20 points for 1 selection from B and C.  10 points for A.  0 points for D.</p>	<p><b>AND</b></p>	<p>50 points for the coverage:</p> <p>Per answer selection A to C, each option will be worth the following proportion:</p> <p>50/3 points for all (1).  25/3 points for a majority (2).  12/3 points for a minority (3).</p>	<p>Further details:</p> <p>Selecting 'D' will result in 0/100 points for this indicator.</p> <p>The number of sub-strategy types applicable will not affect the points available for this indicator, as each sub-strategy type will receive a separate score.</p>
<p><b>Multiplier</b></p>	<p>High</p>			

Indicator ID <b>LE 4</b>	Dependent on:	<b>OO 21</b>	Sub-section <b>ESG incorporation in research</b>	PRI Principle <b>1</b>	Type of indicator <b>CORE</b>
	Gateway to:	<b>N/A</b>			

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	Internally managed listed equity sub-strategies				
	All sub-strategies	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental	(4) Other strategies
(A) We incorporate qualitative and/or quantitative information on current performance across a range of <b>material ESG factors</b>	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases	[Dropdown list]  (1) in all cases (2) in a majority of cases (3) in a minority of cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	[As above]	[As above]	[As above]	[As above]	[As above]
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	[As above]	[As above]	[As above]	[As above]	[As above]
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	[As above]	[As above]	[As above]	[As above]	[As above]

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process		O	O	O	O
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### Explanatory notes

<b>Purpose of indicator</b>	<p>This indicator aims to assess how information on material ESG factors is incorporated into signatories' financial analysis, benchmark selection and/or portfolio construction process. The indicator refers to a range of possible uses of information.</p> <p>It is considered good practice to include a broad range of factors that cover or reflect the historical, current and possible future direction of material ESG factors. These approaches should be reflected across a range of investment strategies, not just active equity. For passive or active quant, this might be reflected through the incorporation of material ESG factors when selecting or constructing indices or benchmarks or when constructing a quant process.</p>
<b>Additional reporting guidance</b>	In this indicator, 'financial analysis' refers to various techniques used by investors to assess a company's current performance and/or estimate future performance, including (but not limited to): analyses of competitive forces, analyses of industry and product growth rates cash flow, operating efficiency, liquidity and solvency analyses, rates of returns analyses and scenario and sensitivity analyses.
<b>Other resources</b>	For further guidance, refer to <a href="#">A practical guide to ESG integration for equity investing</a> .

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

### Assessment

<b>Assessment criteria</b>	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 combination of lettered and coverage answer options.
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	<p>50 points for the lettered answer options:</p> <p>50 points for 3 or more selections from A–D.  33 points for 2 selections from A–D.  16 points for 1 selection from A–D.  0 points for E.</p>	<b>AND</b>	<p>50 points for the coverage:</p> <p>Per answer selection A to D, each option will be worth the following proportion:</p> <p>50/3 points for all (1).  25/3 points for a majority (2).  12/3 points for a minority (3).</p>	<p>Further details:</p> <p>Selecting 'E' will result in 0/100 points for this indicator.</p> <p>The number of sub-strategy types applicable will not affect the points available for this indicator, as each sub-strategy type will receive a separate score.</p>
<b>Multiplier</b>	High			

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION [LE 5, LE 6]

Indicator ID <b>LE 5</b>	Dependent on:	<b>OO 21</b>	Sub-section <b>ESG incorporation in portfolio construction</b>	PRI Principle <b>1</b>	Type of indicator <b>PLUS</b> VOLUNTARY TO DISCLOSE
	Gateway to:	<b>N/A</b>			

Provide an example of how you incorporated **ESG factors** into your equity selection and research process during the reporting year.

[Free text: large]

### Explanatory notes

<b>Purpose of indicator</b>	This indicator provides the signatory with the opportunity to expand upon examples of what they believe are interesting, innovative or leading practices in the incorporation of ESG factors into equity selection and research, allowing them to share different practices and experiences.
<b>Additional reporting guidance</b>	Examples might include coverage of an aspect of a research process or a specific approach to a particular asset.
<b>Other resources</b>	For further guidance, refer to <a href="#">A practical guide to ESG integration for equity investing</a> .

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

### Assessment

Not assessed

Indicator ID <b>LE 6</b>	Dependent on:	<b>OO 21</b>	Sub-section <b>ESG incorporation in portfolio construction</b>	PRI Principle <b>1</b>	Type of indicator <b>CORE</b>
	Gateway to:	<b>N/A</b>			

How do **material ESG factors** contribute to your stock selection, portfolio construction and/or benchmark selection process?

	Internally managed listed equity sub-strategies				
	All sub-strategies	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental	(4) Other strategies
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list]  (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	[As above]	[As above]	[As above]	[As above]	[As above]
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	[As above]	[As above]	[As above]	[As above]	[As above]
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process Specify: ____ [Mandatory free text: medium]	[As above]	[As above]	[As above]	[As above]	[As above]



(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors		O	O	O	O
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### Explanatory notes

<b>Purpose of indicator</b>	This indicator allows signatories to outline the extent to which material ESG factors are incorporated into the construction process of a portfolio and not only the valuation process or selection criteria. It is considered good practice to incorporate material ESG factors into all aspects of portfolio construction and asset selection across a range of investment strategies and all AUM rather than for a particular portfolio or group of funds. The answer options indicate different aspects of the portfolio construction process for which signatories may derive part of their conviction and risk appetite from ESG considerations.
<b>Additional reporting guidance</b>	ESG factors can be incorporated into listed equity portfolio construction processes using three approaches: integration, screening and thematic. Investors select amongst or combine these approaches based on their desired outcomes, including enhancing their risk-return profile, avoiding specific sectors or driving capital towards environmental and/or social goals.
<b>Other resources</b>	For guidance and case studies on incorporating long-term ESG trends into listed equity investments, see <a href="#">Guidance and case studies for ESG integration: equities and fixed income</a> .

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

### Assessment

<b>Assessment criteria</b>	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 combination of lettered and coverage answer options.			
	50 points for the lettered answer options:  50 points for 3 selections from A–C 33 points for 2 selections from A–C. 16 points for 1 selection from A–C. 0 points for D, E.	<b>AND</b>	50 points for the coverage:  Per answer selection A to C, each option will be worth the following proportion: 50/3 points for all (1). 25/3 points for a majority (2). 12/3 points for a minority (3).	Further details:  Selecting ‘E’ will result in 0/100 points for this indicator.  The number of sub-strategy types applicable will not affect the points available for this indicator, as each sub-strategy type will receive a separate score.
<b>‘Other’ scored as</b>	Selecting Other (D) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.			

<b>Multiplier</b>	Moderate
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## PASSIVE INVESTMENTS [LE 7, LE 8]

Indicator ID	Dependent on:	OO 21	Sub-section	PRI Principle	Type of indicator
	Gateway to:	N/A			
LE 7			Passive investments	1	<b>PLUS</b> VOLUNTARY TO DISCLOSE

Provide an example of how **material ESG factors** influenced weightings and tilts in the design of your passively managed funds.

*Examples might include coverage of an aspect of a portfolio construction process or a specific application.*

[Free text: large]

### Explanatory notes

<b>Purpose of indicator</b>	This indicator provides signatories with the opportunity to expand upon examples of what they believe are interesting, innovative or leading practices when incorporating ESG factors into the weightings and tilts in passive listed equity portfolios, allowing signatories to share different practices and experiences.
<b>Additional reporting guidance</b>	<p>ESG factors can be incorporated into the listed equity portfolio construction process using three approaches: integration, screening and thematic. Investors select amongst or combine these approaches based on their desired outcomes, including enhancing their risk-return profile, avoiding specific sectors or driving capital towards particular environmental and/or social goals.</p> <p>A 'weighting' is the percentage of an investment portfolio comprising a particular holding or type of holding. It can be represented on an absolute or relative basis.</p> <p>A portfolio 'tilt' represents a weighting of a portfolio when compared to a representative benchmark. Tilt generally represents a difference to a specified benchmark.</p> <p>For the purpose of this indicator the 'holding period' is the time between the purchase and sale of a security.</p>
<b>Other resources</b>	For further guidance on ESG incorporation for passive investors, see <a href="#">How can a passive investor be a responsible investor?</a>

### Logic

<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A

**Assessment**

Not assessed

Indicator ID <b>LE 8</b>	Dependent on:	<b>OO 19, OO 21</b>	Sub-section <b>Passive investments</b>	PRI Principle <b>1</b>	Type of indicator <b>PLUS</b>
	Gateway to:	<b>N/A</b>			

How does your organisation select the **ESG index(es) or benchmark(s)** for your **passive listed equity assets**?

- (A) We commission customised indexes  
Explain: \_\_\_\_\_ [Voluntary free text: medium]
- (B) We compare the methodology amongst the index providers available  
Explain: \_\_\_\_\_ [Voluntary free text: medium]
- (C) We compare the costs of different options available in the market  
Explain: \_\_\_\_\_ [Voluntary free text: medium]
- (D) Other  
Specify and explain: \_\_\_\_\_ [Voluntary free text: medium]

### Explanatory notes

<b>Purpose of indicator</b>	This indicator provides signatories with the opportunity to describe how they select or design an ESG index or benchmark when utilising a passive strategy for their listed equity investments.
<b>Additional reporting guidance</b>	The ESG indices or benchmarks used to track passive investments may be either external or developed by signatories internally applying ESG filters.
<b>Other resources</b>	For further guidance on ESG incorporation for passive investors, see <a href="#">How can a passive investor be a responsible investor?</a>

### Logic

<b>Dependent on</b>	[OO 19], [OO 21]
<b>Gateway to</b>	N/A

**Assessment**

Not assessed

# POST-INVESTMENT

## ESG RISK MANAGEMENT [LE 9, LE 10]

Indicator ID	Dependent on:	OO 17.1 LE, OO 21	Sub-section	PRI Principle	Type of indicator
LE 9	Gateway to:	N/A	ESG risk management	1	CORE

What compliance processes do you have in place to ensure that your **listed equity** assets subject to **negative exclusionary screens** meet the **screening criteria**?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

### Explanatory notes

<b>Purpose of indicator</b>	This indicator aims to understand the oversight and confidence-building measures undertaken by signatories to ensure stated negative exclusionary screens are complied with across all portfolios where they are applied. It is considered good practice to introduce oversight through an independent committee to conduct reviews and monitor implementation, results and criteria changes. These measures should operate alongside and complement internal compliance procedures.
<b>Additional reporting guidance</b>	<p>In this indicator, 'internal compliance procedures' includes (but are not limited to) internal controls to ensure that listed equity funds or portfolios subject to negative exclusionary screens meet the screening criteria and/or independent audit processes that ensure screening criteria are implemented correctly.</p> <p>In this indicator, 'an external committee' can refer to a body that provides independent advice and guidance to the signatory organisation on the implementation, review and development of screening criteria, whether for a specific fund or at an organisational level.</p> <p>An independent internal committee could comprise senior staff without investment decision-making responsibilities, such as risk and/or compliance teams.</p>

<b>Other resources</b>	For further guidance on screening, refer to <a href="#">An introduction to responsible investment: screening</a> .	
<b>Reference to other standards</b>	OECD Responsible Business Conduct for Institutional Investors	
<b>Logic</b>		
<b>Dependent on</b>	[OO 17.1 LE], [OO 21]	
<b>Gateway to</b>	N/A	
<b>Assessment</b>		
<b>Assessment criteria</b>	<p>100 points for this indicator.</p> <p>100 points for 3 selections from A–C <b>OR</b> for both A and B.  66 points for both A and C <b>OR</b> for both B and C.  33 points for 1 selection from A–C.  0 points for D.</p>	<p>Further details:</p> <p>Selecting 'D' will result in 0/100 points for this indicator.</p>
<b>Multiplier</b>	Moderate	



Indicator ID <b>LE 10</b>	Dependent on:	<b>OO 21</b>	Sub-section <b>ESG risk management</b>	PRI Principle <b>1</b>	Type of indicator <b>CORE</b>
	Gateway to:	<b>N/A</b>			

For the majority of your **listed equity** assets, do you have a formal process to identify and incorporate material **ESG risks** and **ESG incidents** into your **risk management** process?

	Internally managed listed equity sub-strategies			
	All sub-strategies	(1) Active – quantitative	(2) Active – fundamental	(3) Other strategies
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our <b>stewardship</b> activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion				
(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process		O	O	O

Explanatory notes	
<b>Purpose of indicator</b>	This indicator aims to assess whether signatories' risk management processes formally incorporate material ESG risks and ESG incidents into their investment decisions and research. It is considered good practice to have a formal process in place for regularly identifying and incorporating ESG risks and ESG incidents, ideally at the individual asset level, to have the appropriate level of oversight and scrutiny to adequately inform investment decisions. This process needs to be able to identify risks and incidents that have material implications for the valuation or business model. They might also have implications for the investment manager regarding reputational risk.
<b>Additional reporting guidance</b>	In this indicator, a 'formal' process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.
<b>Other resources</b>	For further guidance, refer to <a href="#">An introduction to responsible investment: listed equity</a> .
Logic	
<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A
Assessment	
<b>Assessment criteria</b>	<p>100 points for this indicator.</p> <p>100 points for 4 selections from A–D. 75 points for 3 selections from A–D. 50 points for 2 selections from A–D. 25 points for 1 selection from A–D. 0 points for E, F.</p> <p>Further details: Selecting 'E' or 'F' will result in 0/100 points for this indicator. The number of sub-strategy types applicable will not affect the points available for this indicator, as each sub-strategy type will receive a separate score.</p>
<b>Multiplier</b>	Moderate

## PERFORMANCE MONITORING [LE 11]

Indicator ID <b>LE 11</b>	Dependent on:	<b>OO 21</b>	Sub-section <b>Performance monitoring</b>	PRI Principle <b>1</b>	Type of indicator <b>PLUS</b> VOLUNTARY TO DISCLOSE
	Gateway to:	<b>N/A</b>			
<p>Provide an example of how the <b>incorporation of ESG factors</b> in your <b>listed equity</b> valuation or portfolio construction affected the realised returns of those assets.</p> <p><i>Through an example, explain your approach to incorporating ESG factors and the link to financial returns of the relevant assets, sectors or asset classes.</i></p> <p>[Free text: large]</p>					

Explanatory notes	
<b>Purpose of indicator</b>	This indicator allows signatories to share different practices and experiences and enables the PRI to compile evidence of examples where ESG factors have impacted realised returns.
<b>Additional reporting guidance</b>	Examples provided may include interesting approaches to integration, screening and thematic strategies that have had an identifiable impact on realised returns. These examples could highlight correlations or explain causation.
Logic	
<b>Dependent on</b>	[OO 21]
<b>Gateway to</b>	N/A
Assessment	
Not assessed	

## DISCLOSURE OF ESG SCREENS [LE 12]

Indicator ID	Dependent on:	OO 17 LE, OO 21	Sub-section	PRI Principle	Type of indicator
LE 12	Gateway to:	N/A	Disclosure of ESG screens	6	CORE

For all your **listed equity** assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

*Signatories should refer to the information shared publicly or privately (only when the assets are covered by commercial or client agreements preventing public disclosure) for all their listed equity assets where ESG screens are applied alone or in combination with other strategies.*

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

### Explanatory notes

<b>Purpose of indicator</b>	This indicator aims to assess how transparent signatories are to clients when applying ESG screens and whether they provide clients with a tool to assess how consistently the screening policy is applied. The application of screens and their implications on portfolios are sometimes difficult for clients to understand. As a minimum standard, signatories should explain these screens to clients. It is also considered good practice to provide updates on any changes to these screens and outline the implications on portfolio structure when, for instance, the investment manager is appointed by the client or the screening policy changes.
<b>Additional reporting guidance</b>	Answer option '(A) We share a list of ESG screens' refers to the screening criteria applied to the listed equity assets and not to companies affected by them.
<b>Other resources</b>	For further guidance on screening, refer to <a href="#">An introduction to responsible investment: screening</a> .

### Logic

<b>Dependent on</b>	[OO 17 LE], [OO 21]
<b>Gateway to</b>	N/A

### Assessment

<b>Assessment criteria</b>	<p>100 points for this indicator</p> <p>100 points for all 3 selections from A–C.  66 points for 2 selections from A–C; <b>MUST</b> include A.  33 points for A.  0 points for 1–2 selections from B–C, OR D.</p>	<p>Further details:</p> <p>Selecting 'D' will result in 0/100 points for this indicator.</p>
<b>Multiplier</b>	<p>Moderate</p>	