

PRI Reporting Framework

FIXED INCOME

2021

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WHO DOES THIS MODULE APPLY TO?

This module is designed for signatories who invest directly in **fixed income** and implement responsible investment for at least some of those assets.

It is not applicable to investors who exclusively use external managers for their responsible investment in fixed income¹. They will instead report on this in the external investment manager selection, appointment and monitoring (SAM) module.

This module seeks information at the organisational level and for fixed income investments in aggregate; reporting should be done for all fixed income AUM and not focus on one fund or product.

It is mandatory to complete this module for signatories who have **either 10% of their AUM, or US\$10bn or more**, directly invested in fixed income in the relevant reporting year.

The fixed income asset types that can be reported on in this module include:

- Fixed income – SSA
- Fixed income – Corporate
- Fixed income - Securitised
- Fixed income - Private debt

Signatories will be able to differentiate their **private debt** practices throughout the module by selecting the corresponding answer option in the relevant indicators. The module also includes one indicator specifically focused on private debt.

Signatories who have both **passive and active fixed income** in any given fixed income sub-asset class should report on them as combined, except if expressly indicated otherwise in the indicator or in its Explanatory notes.

¹ If your fixed income investments are constrained in any way that limits your ability to apply a responsible investment approach, you will be able to indicate this at the relevant indicator within the Organisational Overview (OO) module. For example, local regulations may restrict investments in foreign denominated or issued bonds.

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 definitions repository, available online.
Other resources	Provides links to useful resources for additional information, guidance or further reading, including PRI publications.
Reference to other standards	Indicates any external sources, standards or frameworks referenced by the indicator.
Logic	
Dependent on	Clarifies how signatories' earlier answers in the reporting framework determine whether, and how, the indicator will apply to them.
Gateway to	Explains how signatories' responses will unlock subsequent indicators in the reporting framework.
Assessment	
Assessment criteria	Indicates the 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

PRE-INVESTMENT PHASE

MATERIALITY ANALYSIS [FI 1, FI 1.1]

Indicator ID FI 1	Dependent on: OO 10	Sub-section Materiality analysis			PRI Principle 1	Type of indicator CORE
	Gateway to: FI 1.1					
Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?						
	Fixed income asset types					
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt		
(A) Yes, we have a formal process for identifying material ESG factors for all of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(B) Yes, we have a formal process for identifying material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(C) Yes, we have a formal process for identifying material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(E) No, we do not have a formal process for identifying material ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

Explanatory notes	
Purpose of indicator	<p>This indicator aims to assess the extent to which the identification of ESG factors has been formalised as part of signatories' investment processes.</p> <p>It is considered better practice to have a formal process to identify material ESG factors for all potential assets in the pre-investment phase. This primarily allows the organisation to identify and manage downside risks that might remain undiscovered without the analysis of ESG data and trends. Formally integrating this analysis into the investment process helps ensure consistency within the organisation.</p>
Additional reporting guidance	<p>A formal process to identify material ESG factors involves the formal incorporation of some or all of the following three steps into the investment process:</p> <ul style="list-style-type: none"> (i) Investment research: Identifying material ESG factors (at the issuer level, as well as for individual securities) that may impact downside risk. (ii) Security valuation: Integrating material ESG factors into financial analysis and valuation, e.g. through internal credit assessments, forecasted financials and ratios, relative ranking, relative value/spread analysis and security sensitivity/scenario analysis. (iii) Portfolio management: Including the ESG analysis in decisions about risk management and portfolio construction, e.g. through sector weightings. <p>Material ESG factors can be 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 can apply a range of techniques to identify risks and opportunities that might remain undiscovered without the analysis of specific ESG data and broad ESG trends.</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.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 1] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	[FI 1.1] will be applicable for reporting if any of the options (A-D) are selected in [FI 1], and only the fixed income sub-asset classes for which options (A-D) were selected in [FI 1] will be displayed in [FI 1.1].
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or E. 32 score for 1 selection from C, D. 64 score for B. 100 score for A.</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	High x2 weighting.
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Indicator ID FI 1.1	Dependent on:	FI 1	Sub-section Materiality analysis	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

How does your current investment process incorporate material ESG factors?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) The investment process incorporates material governance factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanatory notes

Purpose of indicator	The purpose of this indicator is to establish the scope and depth of signatories' research of environmental, social and governance factors. It is considered better practice for the analysis of fixed income to extend beyond material governance factors and be part of signatories' formal investment process or structure.
Additional reporting guidance	<p>Responses should indicate which ESG factors and time horizons signatories include in their materiality analysis.</p> <p>ESG factors differ in their relevance and materiality across companies, sectors and markets. This indicator does not relate to signatories' final judgements about relevance or materiality but to the scope of their research processes.</p>

Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	[FI 1.1] will be applicable for reporting if any of the options (A-D) are selected in [FI 1], and only the fixed income sub-asset classes for which options (A-D) were selected in [FI 1] will be displayed in [FI 1.1].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection. 25 score for 1 selection from A–D. 50 score for 2 selections from A–D. 75 score for 3 selections from A–D. 100 score for all 4 selections from A–D.</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	High x2 weighting.

ESG RISK MANAGEMENT [FI 2, FI 2.1]

Indicator ID	Dependent on:	OO 10	Sub-section	PRI Principle	Type of indicator
FI 2	Gateway to:	FI 2.1	ESG risk management	1	CORE

How are material ESG factors incorporated into your portfolio risk management process?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify: ____ [Free text: medium]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to understand the thoroughness of ESG incorporation into signatories' risk management process for each fixed income asset type. It is considered better practice to incorporate material ESG factors into an organisation's risk management process. This allows the organisation to identify and manage risks that might remain undiscovered without the analysis of these factors. Ideally, the integration of material ESG factors into risk management processes would be reflected in portfolio construction and adjustments.
Additional reporting guidance	Responses should provide details on the process that signatories follow to incorporate material ESG factors into their risk management process.
Other resources	For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income . For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 2] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	[FI 2.1] will be applicable for reporting if any of the options (A-D) are selected in [FI 2], and only the fixed income sub-asset classes for which options (A-D) were selected in [FI 2] will be displayed in [FI 2.1].
Assessment	
Assessment criteria	Selection of 1 answer option from A–D opens assessed indicator. If no answer selection or E is selected, then 0 points will be scored for indicator FI 2.1.

Indicator ID	Dependent on:	FI 2	Sub-section	PRI Principle	Type of indicator
FI 2.1	Gateway to:	N/A	ESG risk management	1	CORE
For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?					
(1) SSA					
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto			[Dropdown list] (1) for all of our assets (2) for the majority of our assets (3) for a minority of our assets		
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits			[As above]		
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors			[As above]		
(D) Other method of incorporating ESG factors into risk management process, please specify: ____ [Free text: small]			[As above]		
(2) Corporate					
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto			[Dropdown list] (1) for all of our assets (2) for the majority of our assets (3) for a minority of our assets		

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	[As above]
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	[As above]
(D) Other method of incorporating ESG factors into risk management process, please specify: ____ [Free text: small]	[As above]
(3) Securitised	
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	[Dropdown list] (1) for all of our assets (2) for the majority of our assets (3) for a minority of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	[As above]
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	[As above]
(D) Other method of incorporating ESG factors into risk management process, please specify: ____ [Free text: small]	[As above]
(4) Private debt	
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	[Dropdown list] (1) for all of our assets

	(2) for the majority of our assets (3) for a minority of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	[As above]
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	[As above]
(D) Other method of incorporating ESG factors into risk management process, please specify: ____ [Free text: small]	[As above]

Explanatory notes	
Purpose of indicator	The purpose of this indicator is to gain a better understanding of signatories' incorporation of material ESG factors into their portfolio risk management processes. It is considered better practice to incorporate material ESG factors into the portfolio risk management processes for all assets under management.
Additional reporting guidance	<p>This indicator's answer options describe different ways in which signatories may incorporate material ESG factors into their portfolio risk management process. Responses should indicate the proportion of signatories' assets under management to which they apply each of them, per asset type.</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.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	[FI 2.1] will be applicable for reporting if any of the options (A-D) are selected in [FI 2], and only the fixed income sub-asset classes for which options (A-D) were selected in [FI 2] will be displayed in [FI 2.1].
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 1 selection from A–C. 32 score for 2 selections from A–C. 50 score for all 3 selections from A–C.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections (3).</p> <p>Per answer selection A to C, each option will be worth the following proportion: 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 (D) 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.

ESG INCORPORATION IN ASSET VALUATION [FI 3, FI 3.1]

Indicator ID	Dependent on:	OO 10	Sub-section	PRI Principle	Type of indicator
FI 3	Gateway to:	FI 3.1			
			ESG incorporation in asset valuation	1	CORE

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to establish whether changes are incorporated over time into material ESG factors to adjust the valuation of the fixed income assets. It is considered better practice to not only assess current material ESG factors but to also identify potential ones.
Additional reporting guidance	Responses should indicate how signatories reflect the evolution of ESG factors, i.e. any significant changes in material ESG factors in the valuation of their fixed income assets.
Other resources	For further details on how ESG factors may be incorporated into the valuation of sovereign debt, please see A practical guide to ESG integration in sovereign debt . For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income .

	For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 3] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	[FI 3.1] will be applicable for reporting if any of the options (A-B) are selected in [FI 3], and only the fixed income sub-asset classes for which options (A-B) were selected in [FI 3] will be displayed in [FI 3.1].
Assessment	
Assessment criteria	Selection of 1 answer option from A, B opens assessed indicator. If no answer selection or C is selected, then 0 points will be scored for indicator FI 3.1.

Indicator ID	Dependent on:	FI 3	Sub-section	PRI Principle	Type of indicator
FI 3.1	Gateway to:	N/A	ESG incorporation in asset valuation	1	CORE
In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?					
(1) SSA					
(A) We incorporate it into the forecast of cash flow, revenues and profitability			[Dropdown list] (1) All cases (2) Majority of cases (3) Minority of cases		
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer			[As above]		
(2) Corporate					
(A) We incorporate it into the forecast of cash flow, revenues and profitability			[As above]		
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer			[As above]		
(3) Securitised					
(A) We incorporate it into the forecast of cash flow, revenues and profitability			[As above]		
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer			[As above]		

(4) Private debt	
(A) We incorporate it into the forecast of cash flow, revenues and profitability	[As above]
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	[As above]

Explanatory notes	
Purpose of indicator	The purpose of this indicator is to gain a better understanding of how the evolution of ESG factors is incorporated into asset valuation. It is considered better practice for signatories to incorporate the evolution of ESG factors into the valuation of all their assets under management.
Additional reporting guidance	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.
Other resources	For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income . For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .
Logic	
Dependent on	[FI 3.1] will be applicable for reporting if any of the options (A-B) are selected in [FI 3], and only the fixed income sub-asset classes for which options (A-B) were selected in [FI 3] will be displayed in [FI 3.1].
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 B. 32 score for A. 50 score for both selections from A and B. The 50 points for the coverage (numbered answer options) divided between number of possible answer selections (2). Per answer selections A, B, each option will be worth the following proportion: 25% of (50/2) score for minority (3).

	<p>50% of (50/2) score for majority (2). 100% of (50/2) 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	High x2 weighting.

PERFORMANCE MONITORING [FI 4]

Indicator ID FI 4	Dependent on:	OO 5.2 FI, OO 10	Sub-section Performance monitoring	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

(A) Example from your active management strategies: _____ [Free text: large]

(B) Example from your passive management strategies: _____ [Free text: large]

Explanatory notes

Purpose of indicator	This indicator provides signatories with the opportunity to expand upon examples related to the link between ESG incorporation and the financial returns of the relevant assets, sectors or asset classes. This will allow signatories to share different practices and experiences and enable the PRI to compile evidence of examples where ESG factors have had implications on returns.
Additional reporting guidance	Examples provided might cover interesting approaches to integration, screening and thematic investment that have had an identifiable impact on returns. These examples could highlight correlations or explain causation. Examples from passive management strategies might outline the evidence base for the incorporation of ESG factors into index construction or selection.
Other resources	For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income . For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .

Logic

Dependent on	Option (A) in [FI 4] will be applicable for reporting if in [OO 5.2 FI] >0% is reported for any of the following options: "(D) Active - SSA", "(E) Active - Corporate", "(F) Active - Securitised", "(G) Private Debt" AND any fixed income sub-asset class is selected in [OO 10]. Option (B) in [FI 4] will be applicable for reporting if in [OO 5.2 FI] >0% is reported for any of the following options: "(A) Passive - SSA", "(B) Passive - Corporate", "(C) Passive - Securitised" AND any fixed income sub-asset class is selected in [OO 10].
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Gateway to	N/A
Assessment	
Not assessed	

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION [FI 5, FI 5.1, FI 6]

Indicator ID FI 5	Dependent on: OO 10	Sub-section ESG incorporation in portfolio construction			PRI Principle 1	Type of indicator CORE
	Gateway to: FI 5.1					
How do ESG factors influence your portfolio construction?						
	Fixed income asset types					
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt		
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(E) Other expressions of conviction, please specify: _____ [Free text: medium]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

Explanatory notes	
Purpose of indicator	This indicator allows signatories to outline the extent to which ESG factors are incorporated into the construction of a portfolio and not just the valuation process or selection criteria. It is considered better practice to integrate ESG factors into all aspects of portfolio construction as well as asset selection.
Additional reporting guidance	<p>This indicator refers to the portfolio construction process with answer options that include the selection of individual assets, asset classes, sector weightings, benchmarks or indices and the holding period. These are different aspects of portfolio construction for which signatories may derive part of their conviction and risk appetite from ESG considerations.</p> <p>ESG factors can be incorporated into fixed income portfolio construction using three approaches: integration, screening and thematic. Investors select between or combine these approaches based on their desired outcomes. These may be to enhance their risk-return profile, avoid specific sectors or drive capital towards particular environmental and/or social goals.</p> <p>In this indicator, ESG factors are understood to have “influenced” portfolio construction if such factors have been incorporated into the various aspects of portfolio construction listed in this indicator and have to some degree affected those portfolio construction processes.</p> <p>In this indicator “expression of conviction” refers to the signatory’s approach to incorporating ESG factors into the construction of a portfolio, which reflects their investment strategy or approach.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 5] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	[FI 5.1] will be applicable for reporting if any of the options (A-E) are selected in [FI 5], and only the fixed income sub-asset classes for which options (A-E) were selected in [FI 5] will be displayed in [FI 5.1].
Assessment	
Assessment criteria	Selection of 1 answer option from A–E opens assessed indicator. If no answer selection or F is selected, then 0 points will be scored for indicator FI 5.1.

Indicator ID	Dependent on:	FI 5	Sub-section	PRI Principle	Type of indicator
FI 5.1	Gateway to:	N/A	ESG incorporation in portfolio construction	1	CORE
In what proportion of cases do ESG factors influence your portfolio construction?					
(1) SSA					
(A) The selection of individual assets within our portfolio is influenced by ESG factors			[Dropdown list] (1) in all cases (2) in the majority of cases (3) in a minority of cases		
(B) The holding period of individual assets within our portfolio is influenced by ESG factors			[As above]		
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors			[As above]		
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process			[As above]		
(E) Other expressions of conviction, please specify: ____ [Free text: medium]			[As above]		
(2) Corporate					
(A) The selection of individual assets within our portfolio is influenced by ESG factors			[Dropdown list] (1) in all cases (2) in the majority of cases		

	(3) in a minority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	[As above]
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	[As above]
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	[As above]
(E) Other expressions of conviction, please specify: ____ [Free text: medium]	[As above]
(3) Securitised	
(A) The selection of individual assets within our portfolio is influenced by ESG factors	[Dropdown list] (1) in all cases (2) in the majority of cases (3) in a minority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	[As above]
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	[As above]
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	[As above]
(E) Other expressions of conviction, please specify: ____ [Free text: medium]	[As above]

(4) Private debt	
(A) The selection of individual assets within our portfolio is influenced by ESG factors	[Dropdown list] (1) in all cases (2) in the majority of cases (3) in a minority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	[As above]
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	[As above]
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	[As above]
(E) Other expressions of conviction, please specify: ____ [Free text: medium]	[As above]

Explanatory notes	
Purpose of indicator	This indicator aims to assess the extent to which ESG factors are incorporated into the portfolio construction process (including the selection of individual assets, asset classes, sector weightings, benchmarks or indices and the holding period) within different investment strategies and portfolios across all internally managed AUM. It is considered better practice to incorporate ESG factors into the portfolio construction process across a range of investment strategies and all AUM rather than specifically for a particular portfolio or group of funds.
Additional reporting guidance	<p>For each of the asset types listed in the indicator, signatories should indicate how often they incorporate ESG factors into different aspects of portfolio construction. 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.</p> <p>ESG factors can be incorporated into listed equity portfolio construction using three approaches: integration, screening and thematic. Investors select between or combine these approaches based on their desired outcomes. These may be to enhance their risk-return profile, avoid specific sectors or drive capital towards particular environmental and/or social goals.</p>

	<p>In this indicator, ESG factors are understood to have "influenced" portfolio construction if such factors have been incorporated into the various aspects of portfolio construction listed in this indicator and have to some degree affected those portfolio construction processes.</p> <p>In this indicator "expression of conviction" refers to the signatory's approach to incorporating ESG factors into the construction of a portfolio, which reflects their investment strategy or approach.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	[FI 5.1] will be applicable for reporting if any of the options (A-E) are selected in [FI 5], and only the fixed income sub-asset classes for which options (A-E) were selected in [FI 5] will be displayed in [FI 5.1].
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. 25 score for A. 50 score for both selections from A and B. 75 score for all 3 selections from A–C. 100 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 (4).</p> <p>Per answer selection A to D, each option will be worth the following proportion: 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 (E) will not be counted as an answer selection by the scoring criteria, provided answer options have been identified as capturing best practice.
Multiplier	High x2 weighting.

Indicator ID FI 6	Dependent on:	OO 10	Sub-section ESG incorporation in portfolio construction	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

(A) Example 1: _____ [Free text: large]

(B) Example 2: _____ [Free text: large]

Explanatory notes

Purpose of indicator	This indicator provides signatories with the opportunity to expand upon examples of interesting, innovative or leading practice in the incorporation of ESG factors into the weightings and tilts in either passive or active listed equity portfolios, allowing signatories to share different practices and experiences.
Additional reporting guidance	<p>Responses should provide two detailed examples of how ESG factors influenced the composition, weighting and/or tilting of signatories' active or passive portfolios. Examples might include coverage of an aspect of a portfolio construction process or an example of a specific application.</p> <p>ESG factors can be incorporated into listed equity portfolio construction using three approaches: integration, screening and thematic. Investors select between or combine these approaches based on their desired outcomes. These may be to enhance their risk-return profile, avoid specific sectors or drive capital towards particular environmental and/or social goals.</p> <p>A "weighting" is the percentage of an investment portfolio that a particular holding or type of holding comprises. This 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>This indicator is not applicable to private debt.</p>
Other resources	For further guidance on ESG incorporation into portfolio construction, see An introduction to responsible investment: fixed income .
Logic	
Dependent on	[FI 6] will be applicable for reporting if options "(F) Fixed Income - SSA", AND/OR "(G) Fixed Income - Corporate", AND/OR "(H) Fixed Income - Securitised" are selected in [OO 10].

Gateway to	N/A
Assessment	
Not assessed	

ESG INCORPORATION IN ASSESSMENT OF ISSUERS [FI 7]

Indicator ID FI 7	Dependent on:	OO 10	Sub-section ESG incorporation in assessment of issuers	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess how ESG factors beyond governance inform signatories' assessments of the issuers'/borrowers' risks and their underlying credit quality. It is considered better practice to include all ESG factors, not just governance, in the identification of investment risks and opportunities. For fixed income investors, the consideration of all ESG factors in risk analysis should be reflected in the credit quality assessment of issuers/borrowers. This allows for a complete representation of risks and opportunities and their effective incorporation in investment decisions.
Additional reporting guidance	Responses should indicate which ESG factors signatories incorporate in the majority of cases when assessing the credit quality of issuers/borrowers. 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.

	<p>This indicator focuses on how current ESG scores affect projected cash flows. This does not include anticipated changes in ESG scores.</p> <p>In the case of structured debt, the "issuer" in this indicator refers to the issuer of the structured product, not to the entities that may have taken the underlying loan, credit or debt.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 7] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or C. 50 score for A. 100 score for B.</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	High x2 weighting.

ESG PERFORMANCE [FI 8]

Indicator ID FI 8	Dependent on: OO 10	Sub-section ESG performance	PRI Principle 1	Type of indicator CORE
	Gateway to: N/A			

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

	Fixed income asset types		
	(1) SSA	(2) Corporate	(3) Securitised
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes	
Purpose of indicator	This indicator aims to assess the extent to which signatories contextualise issuers' relative ESG performance when making investment decisions. It is considered better practice to compare individual issuers' ESG performance with that of their relevant peers. This provides signatories with the necessary context to evaluate each issuer's ESG performance and incorporate it into their investment decisions. For instance, if two countries have equal yields and similar volatility and risk characteristics, the country with the higher ESG performance may be favoured, as it is reasonable to assume that a country with higher standards on all or some ESG factors would yield better medium- and long-term returns. Thus, high ESG performers may be uplifted in their relative ranking to reflect a stronger valuation relative to some of their peers.
Additional reporting guidance	<p>Answer options A to D refer to different stages of the investment process in which signatories may (or may not) take issuers' relative ESG performance into account for decision-making. Responses should indicate how and at which stages signatories consider issuers' relative ESG performance in a majority of cases. 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.</p> <p>Issuers' "relative ESG performance" can be measured qualitatively or quantitatively.</p> <p>"Relative ESG performance" refers to the issuer's ESG performance after any adjustments to make it comparable within a relevant peer group.</p> <p>In this indicator, "peer groups" refer to groups of issuers with a relevant characteristic in common, such as their size or the industry in which they operate.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	[FI 8] will be applicable for reporting if options "(F) Fixed Income - SSA", AND/OR "(G) Fixed Income - Corporate", AND/OR "(H) Fixed Income - Securitised" are selected in [OO 10], and will display the selected fixed income sub-asset classes in [FI 8].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or D. 32 score for 1 selection from A–C. 64 for 2 selections from A–C. 100 score for all 3 selections from A–C.</p> <p>Selection of E will mean that indicator is scored as N/A.</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.

ESG RISK MANAGEMENT [FI 9, FI 9.1]

Indicator ID	Dependent on:	OO 10	Sub-section ESG risk management	PRI Principle 1	Type of indicator CORE
FI 9	Gateway to:	FI 9.1			

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- ☐ (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- ☐ (B) Yes, it differentiates ESG risks by sector
- ☐ (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Explanatory notes

Purpose of indicator	This indicator aims to assess the extent and depth to which the investment process is adapted to ensure adequate ESG integration. It is considered better practice to map ESG risks by country and sector and to assess individual issuers relative to peers.
Additional reporting guidance	In this indicator, differentiating ESG risks by country/region refers to the geographical area and jurisdiction in which the issuer operates. Differentiating ESG risks by sector refers to the industry in which the issuer operates (e.g. mining, consumer goods etc.).
Other resources	For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income .

Logic

Dependent on	[FI 9] will be applicable for reporting if "(G) Fixed Income - Corporate" is selected in [OO 10].
Gateway to	[FI 9.1] will be applicable for reporting if any of options (A-B) are selected in [FI 9], and selected options (A-B) will prefill into [FI 9.1].

Assessment

Assessment criteria	Selection of 1 answer option from A, B opens assessed indicator. If no answer selection or C is selected, then 0 points will be scored for indicator FI 9.1.
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Indicator ID FI 9.1	Dependent on:	FI 9	Sub-section ESG risk management	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

For what proportion of your corporate fixed income assets do you apply your framework for differentiating risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess the breadth of how the investment process is adapted to ensure ESG integration. It is considered better practice to have a framework that applies to all fixed income assets consistently.
Additional reporting guidance	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.
Other resources	For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income .

Logic

Dependent on	[FI 9.1] will be applicable for reporting if any of options (A-B) are selected in [FI 9], and selected options (A-B) will prefill into [FI 9.1].
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. 25 score for 1 selection from A, B. 50 score for both selections from A and B.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections (2).</p> <p>Per answer selection A, B, each option will be worth the following proportion: 25% of (50/2) score for minority (3). 50% of (50/2) score for majority (2). 100% of (50/2) score for all (1).</p>
Multiplier	Moderate x1.5 weighting.

PRIVATE DEBT [FI 10, FI 10.1]

Indicator ID	Dependent on:	OO 10	Sub-section	PRI Principle	Type of indicator
FI 10	Gateway to:	FI 10.1			
			Private debt	1	CORE

Indicate how your organisation incorporates ESG factors when selecting private debt investments during the due diligence phase.

- ☐ (A) We use a qualitative ESG checklist
- ☐ (B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity
- ☐ (C) We require that the investment has its own ESG policy
- ☐ (D) We hire specialised third parties for additional ESG assessments
- ☐ (E) We require the review and sign-off of our ESG due diligence process by our investment committee, or the equivalent function
- ☐ (F) Other method of incorporating ESG into the selection of private debt during due diligence, please specify: ____ [Free text: medium]
- ☐ (G) We do not incorporate ESG factors when selecting private debt during the due diligence phase

Explanatory notes

Purpose of indicator	<p>This indicator intends to assess how well ESG factors are integrated into the investment processes for private debt, focusing on the selection of investments. It is considered better practice to analyse and integrate ESG factors into all investment decisions, including in the pre-investment phase. This helps investors consider risk in a more holistic way to identify hidden drivers of risk, which may impact a borrower's credit strength.</p> <p>In relatively illiquid markets such as the private debt market, considering the typical hold-to-maturity approach, the case for considering ESG factors becomes stronger, especially over medium- or long-term investment horizons.</p>
Additional reporting guidance	Responses should indicate how signatories include ESG factors in their due diligence process when selecting private debt investments.
Other resources	<p>For further guidance on ESG integration in private debt investment, please refer to Spotlight on responsible investment in private debt.</p> <p>For further insights on ESG integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p>

Logic

Dependent on	[FI 10] will be applicable for reporting if "(I) Fixed Income - Private Debt" is selected in [OO 10].
Gateway to	[FI 10.1] will be applicable for reporting if any of options (A-F) are selected in [FI 10], and selected options (A-F) will prefill into [FI 10.1].
Assessment	
Assessment criteria	Selection of 1 answer option from A–F opens assessed indicator. If no answer selection or G is selected, then 0 points will be scored for indicator FI 10.1.

Indicator ID	Dependent on:	FI 10	Sub-section Private debt	PRI Principle 1	Type of indicator CORE
FI 10.1	Gateway to:	N/A			

In what proportion of cases do you incorporate ESG factors when selecting private debt investment during the due diligence phase?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases
(A) We use a qualitative ESG checklist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We require that the investment has its own ESG policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We hire specialised third parties for additional ESG assessments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) We require the review and sign off of our ESG due diligence process by our investment committee, or the equivalent function	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Other method of incorporating ESG into the selection of private debt during due diligence, please specify: _____ [Free text: medium]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to understand whether incorporating ESG factors into the selection of private debt investments is a common practice for signatories. It is considered better practice to analyse and integrate ESG factors into all stages of the investment decisions, including in the pre-investment phase.
Additional reporting guidance	Responses should indicate how often signatories include ESG factors in their due diligence process to select private debt investments. 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.
Other resources	For further guidance on ESG integration in private debt investment, please refer to Spotlight on responsible investment in private debt . For further insights on ESG integration in fixed income management, please refer to An introduction to responsible investment: fixed income .
Logic	
Dependent on	[FI 10.1] will be applicable for reporting if any of options (A-F) are selected in [FI 10], and selected options (A-F) will prefill into [FI 10.1].
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator divided between lettered and coverage answer options. 0 score for no selection. 10 score for 1 selection from A–F. 20 score for 2 selections from A–F. 30 score for 3 selections from A–F. 40 score for 4 selections from A–F. 50 score for 5 or more selections from A–F. 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). Per answer selection A to F, each option will be worth the following proportion: 25% of (50/5) score for minority (3). 50% of (50/5) score for majority (2). 100% of (50/5) score for all (1).
“Other” scored as	Selecting Other (F) will be accepted by the scoring criteria and is equivalent to selecting options A–E.
Multiplier	High x2 weighting.

SECURITISED PRODUCTS [FI 11]

Indicator ID FI 11	Dependent on:	OO 10	Sub-section Securitised products	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

How do you incorporate ESG factors into the financial analysis of securitised products?

- ☐ (A) We analyse ESG risks and returns for both the issuer or debtor and the underlying collateral or asset pool
- ☐ (B) We perform ESG analysis that covers the issuer or debtor only
- ☐ (C) We perform ESG analysis that covers the underlying collateral or asset pool only
- ☐ (D) We do not incorporate ESG factors into the financial analysis of securitised products

Explanatory notes

Purpose of indicator	This indicator intends to assess how well ESG factors are integrated into the investment processes for securitised products, focusing on their financial analysis. It is considered better practice to analyse ESG risks and returns for both the issuer or debtor and the underlying collateral or asset pool. This helps investors consider risk in a holistic way to identify hidden drivers of risk at every level of the product.
Other resources	For a case study on the analysis and integration of ESG factors in securitised products, see Guidance and case studies for ESG integration: Equities and fixed income .

Logic

Dependent on	[FI 11] will be applicable for reporting if "(H) Fixed Income – Securitised" is selected in [OO 10].
Gateway to	N/A

Assessment

Assessment criteria	100 points for this indicator. 0 score for no selection or D. 32 score for C. 64 score for B. 100 score for A.
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Multiplier	High x2 weighting.
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POST-INVESTMENT PHASE

ESG RISK MANAGEMENT [FI 12, FI 13]

Indicator ID FI 12	Dependent on: OO 10	Sub-section ESG risk management			PRI Principle 1	Type of indicator CORE
	Gateway to: N/A					
Do your regular reviews incorporate ESG risks?						
	Fixed income asset types					
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt		
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
(E) We do not conduct reviews that incorporate ESG risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

Explanatory notes	
Purpose of indicator	This indicator aims to assess the extent to which ESG factors are integrated into an organisation's risk assessment process. It is considered better practice for regular reviews to include material ESG risks, ideally at the individual asset level, to have the appropriate level of oversight and scrutiny to adequately inform investment decisions.
Additional reporting guidance	<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.</p> <p>In this indicator "regular reviews" refers to reviews that occur at uniform intervals according to the signatory's in-house practices.</p>
Other resources	<p>For further guidance on ESG materiality integration in fixed income management, please refer to An introduction to responsible investment: fixed income.</p> <p>For further elaboration on the materiality of ESG factors for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns.</p>
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 12] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or E. 25 score for D. 50 score for C. 75 score for 1 selection from A, B. 100 score for both selections from A and B.</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.

Indicator ID FI 13	Dependent on:	OO 10	Sub-section ESG risk management	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess whether signatories' risk management processes formally incorporate material ESG incidents into their investment decisions and research. It is considered better practice to have a formal process in place for regularly identifying and incorporating ESG incidents that occur in portfolio assets. This process needs to be able to
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	identify incidents that have material implications for the valuation or business model. They might also have implications for the asset owner or asset manager in terms of reputational risk.
Additional reporting guidance	<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.</p> <p>For the purposes of the reporting framework, investment (decision-making) processes refer to research, analysis and other processes that lead to a decision to make or retain a specific listed security or other listed asset.</p> <p>In this indicator "regularly" refers to a repeated process that occurs at least once a quarter and might follow the pattern of existing portfolio reviews.</p> <p>A "formal process to identify ESG incidents" could be a series of internal measures the asset manager has introduced to ensure that the investment decision-maker is made aware or the incident is captured in a quantitative investment process. If the assets follow a passive strategy, these incidents might be incorporated into an engagement process.</p> <p>An "ad hoc process...for identifying ESG incidents" would involve individual investment decision-makers identifying incidents at portfolio holdings and taking individual actions.</p>
Other resources	For further details on the incorporation of ESG incidents into investment decisions in fixed income (specifically in private debt), see Spotlight on responsible investment in private debt .
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 13] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or E. 25 score for D. 50 score for C. 75 score for B. 100 score for A.</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	High x2 weighting.

TIME HORIZONS [FI 14]

Indicator ID	Dependent on:	OO 10	Sub-section	PRI Principle	Type of indicator
FI 14	Gateway to:	N/A	Time horizons	1	CORE

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	Fixed income asset types		
	(1) SSA	(2) Corporate	(3) Securitised
(A) We take into account current risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We take into account medium-term risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We take into account long-term risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess whether signatories use a framework that takes current risks into account but also monitors emerging and potential risks. Once relevant ESG factors have been identified (including whether they are present or potential), it is considered better practice to identify the time horizon over which they may materialise to determine their materiality. For example, climate change poses potential material risks to a sovereign's ability to repay its debt or to its economic structure over different time horizons.
Additional reporting guidance	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.

	<p>In this indicator "current risks" refer to risks that can be easily identified and have a high probability to materialise in the short term (i.e. 1–3 years).</p> <p>"Medium-term risks" are those with a high probability to materialise in the medium term (i.e. 3–5 years).</p> <p>"Long-term risks" are those with a high probability to materialise in the long term (i.e. beyond 5 years).</p>
Other resources	For guidance into the incorporation of ESG factors over varying time horizons in sovereign debt, see A practical guide to ESG integration in sovereign debt .
Logic	
Dependent on	[FI 14] will be applicable for reporting if options "(F) Fixed Income - SSA", AND/OR "(G) Fixed Income - Corporate", AND/OR "(H) Fixed Income - Securitised" are selected in [OO 10], and will display the selected fixed income sub-asset classes in [FI 14].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or D. 32 score for A. 64 score for both selections from A and B. 100 score for all 3 selections from A–C.</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.

LONG-TERM ESG TREND ANALYSIS [FI 15]

Indicator ID	Dependent on:	OO 10	Sub-section	PRI Principle	Type of indicator
FI 15	Gateway to:	N/A	Long-term ESG trend analysis	1	CORE

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	Fixed income asset types			
	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We monitor long-term ESG trends for all of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We monitor long-term ESG trends for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess the extent to which signatories take long-term ESG trends into account in the investment process. PRI signatories are encouraged to take long-term trends into account when selecting assets and allocating. This requires continuous monitoring of long-term ESG trends for all their assets under management.
Additional reporting guidance	Responses should indicate whether signatories monitor long-term ESG trends as part of their investment process, and if so, for which proportion of their fixed income assets under management.

	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.
Other resources	For guidance and case studies on the incorporation of long-term ESG trends into fixed income investments, see Guidance and case studies for ESG integration: Equities and fixed income .
Logic	
Dependent on	Fixed income sub-asset class response options displayed in [FI 15] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection or D. 32 score for C. 64 score for B. 100 score for A.</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.

PASSIVE [FI 16]

Indicator ID	Dependent on:	OO 05.2 FI, OO 10	Sub-section	PRI Principle	Type of indicator
FI 16	Gateway to:	N/A			
			Passive	1	CORE

What percentage of your total passive fixed income assets utilise an ESG index or benchmark?

(A) Proportion of passive fixed income assets that utilise an ESG index or benchmark: ____%

Explanatory notes

Purpose of indicator	This indicator aims to assess the extent to which signatories' passive fixed income assets use an ESG index as a reference or benchmark to measure returns and construct a portfolio. It is considered better practice for signatories that select passive fixed income strategies to use ESG indexes or benchmarks for all or a majority of their passive fixed income portfolios.
Additional reporting guidance	<p>The ESG indices or benchmarks used to track passive investments may be either external or developed by signatories themselves applying ESG filters.</p> <p>This indicator is not applicable to private debt.</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.</p>
Other resources	For further guidance on ESG incorporation for passive investors, see How can a passive investor be a responsible investor? .

Logic

Dependent on	<p>[FI 16] will be applicable for reporting if the two conditions below are met:</p> <ol style="list-style-type: none"> 1. Signatory indicates in OO [05.2 FI] that they have >0% internal allocation in "(1) Passive - SSA", AND/OR "(2) Passive - Corporate", AND/OR "(3) Passive - Securitised" AND 2. Signatory indicates in [OO 10] that they incorporate ESG for at least one of the fixed income sub-asset classes that were selected in [OO 05.2 FI].
Gateway to	N/A

Assessment

Assessment criteria	100 points for this indicator. 0 score for no selection or 0–10%. 32 score for 11–50%. 64 score for 51–75%. 100 score for >75%.
Multiplier	Moderate x1.5 weighting.

EXAMPLES OF LEADING PRACTICE [FI 17]

Indicator ID FI 17	Dependent on:	OO 10	Sub-section Examples of leading practice	PRI Principle 1 to 6	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

- (A) Securitised _____ [Free text: large]
 (B) SSA _____ [Free text: large]
 (C) Corporate _____ [Free text: large]
 (D) Private debt _____ [Free text: large]

Explanatory notes

Purpose of indicator	This indicator aims to gain insights into signatories' most advanced and innovative responsible investment practices in fixed income.
Additional reporting guidance	Responses should provide details regarding innovative responsible investment initiatives signatories have tested or implemented for their different fixed income asset types. Leading practices do not need to be limited to a minority of assets under management. Example: "In our fixed income fundamental strategies, we have tested ESG factors to determine materiality and historical spread."

Logic

Dependent on	Fixed income sub-asset class response options displayed in [FI 17] depend on the fixed income sub-asset classes selected in [OO 10].
Gateway to	N/A

Assessment

Not assessed

THEMATIC BONDS [FI 18, FI 18.1, FI 19, FI 20]

Indicator ID	Dependent on:	OO 6 FI	Sub-section	PRI Principle	Type of indicator
	Gateway to:	FI 18.1			
FI 18			Thematic bonds	1	PLUS VOLUNTARY TO DISCLOSE

What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles.

- (A) Proportion of green/SDG bonds linked to environmental goals: ____%
- (B) Proportion of social/SDG bonds linked to social goals: ____%
- (C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories): ____%
- (D) Proportion of other bond labels used: ____%

Explanatory notes

Purpose of indicator	This indicator aims to assess the proportion of signatories' thematic products that adhere to widely recognised ESG/ SDG bond norms.
Additional reporting guidance	<p>This indicator is aimed at investors investing in green, social, sustainability or SDG bonds, not at potential issuers of such bonds.</p> <p>This indicator only applies to active fixed income.</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.</p>
Other resources	<p>For further guidance on ICMA's principles, see:</p> <ol style="list-style-type: none"> 1. ICMA's Green Bond Principles; 2. ICMA's Social Bond Principles; 3. ICMA's Sustainability Bond Guidelines; and 4. ICMA's Sustainability-Linked Bond Principles
Reference to other standards	International Capital Markets Association (ICMA) Social/Green Bond Principles

Logic

Dependent on	<p>[FI 18] will be applicable for reporting if >0% is reported for any of the options (B), (E), (F), (G) in [OO 6 FI].</p> <p>The total percentage reported in [FI 18] must add up to 100%.</p>
Gateway to	[FI 18.1] will be applicable for reporting if >0% is reported for any of the options (A-C) in [FI 18].
Assessment	
Not assessed	

Indicator ID	Dependent on:	FI 18	Sub-section Thematic bonds	PRI Principle 3	Type of indicator PLUS VOLUNTARY TO DISCLOSE
FI 18.1	Gateway to:	N/A			
What proportion of your social, green and/or sustainability labelled bonds has been subject to an independent review arranged by the issuer?					
			As proportion of your total social, green and/or sustainability labelled bonds:		
(A) Second-party opinion			[Dropdown list] (1) 0% (2) 1–10% (3) 11–50% (4) 51–75% (5) >75%		
(B) Third-party assurance			[As above]		
(C) Green bond rating			[As above]		
(D) Climate Bonds Certification according to the Climate Bonds Standard			[As above]		

Explanatory notes	
Purpose of indicator	This indicator aims to assess the extent to which signatories' green, social or sustainable product offerings have been verified by an independent party. It is considered better practice to ensure that social, green and/or sustainability labelled bonds have been verified by an independent party.
Additional reporting guidance	This indicator is aimed at investors investing in green, social, sustainability or SDG bonds, not at potential issuers of such bonds. This indicator only applies to active fixed income.

	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.
Other resources	Some standard setters provide lists of reviewers/verifiers. See ICMA's Green, Social and Sustainability bonds database or the Climate Bonds Initiative's Approved Verifiers under the Climate Bonds Standard .
Reference to other standards	International Capital Markets Association (ICMA) Social/Green Bond Principles
Logic	
Dependent on	[FI 18.1] will be applicable for reporting if >0% is reported for any of the options (A-C) in [FI 18].
Gateway to	N/A
Assessment	
Not assessed	

Indicator ID FI 19	Dependent on:	OO 6 FI	Sub-section Thematic bonds	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

How do you determine which non-labelled thematic bonds to invest in?

- ☐ (A) By reviewing the bond's use of proceeds
- ☐ (B) By reviewing companies' ESG targets
- ☐ (C) By reviewing companies' progress towards achieving ESG targets
- ☐ (D) We do not invest in non-labelled thematic bonds

Explanatory notes

Purpose of indicator	This indicator aims to assess the rigour of signatories' pre-investment review of non-labelled thematic bonds. It is considered better practice to have pre-determined criteria to assess whether non-labelled thematic bonds have proceeds that are ringfenced towards a specific sustainability target or project.
Additional reporting guidance	<p>This indicator is aimed at investors investing in green, social, sustainability or SDG bonds, not at potential issuers of such bonds.</p> <p>This indicator only applies to active fixed income.</p>

Logic

Dependent on	[FI 19] will be applicable for reporting if >0% is reported for any of the options (B), (E), (F), (G) in [OO 6 FI].
Gateway to	N/A

Assessment

Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no selection. 32 score for 1 selection from A–C. 64 score for 2 selections from A–C. 100 score for 3 selections from A–C.</p> <p>Selection of D will mean that indicator is scored as N/A.</p>
Multiplier	Low x1 weighting.

Indicator ID FI 20	Dependent on:	OO 6 FI	Sub-section Thematic bonds	PRI Principle 1, 2, 6	Type of indicator CORE
	Gateway to:	N/A			

What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?

- ☐ (A) We engage with the issuer
- ☐ (B) We alert regulators
- ☐ (C) We alert thematic bond certification agencies
- ☐ (D) We sell the security
- ☐ (E) We publicly disclose the breach
- ☐ (F) We blacklist the issuer
- ☐ (G) Other action, please specify: ____ [Free text: small]
- ☐ (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

Explanatory notes

Purpose of indicator	This indicator aims to assess how the use of proceeds from bond issuers are monitored and the rigour of signatories' response actions in the case of a breach by the issuer. It is considered better practice to monitor the use of proceeds by issuers of thematic bonds and to take proportionate action in the case of a breach.
Additional reporting guidance	<p>Signatories should select the answer option that best reflects how they proceed in the majority of cases. 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.</p> <p>In this indicator the "allocation of proceeds to the original plan" refers to the terms of the bond deal.</p> <p>"Engaging with the issuer" refers to contacting issuers for explanations about the causes of the breach and planned mitigating action.</p> <p>"Alerting regulators" refers to making the regulator aware of the breach.</p> <p>"Alerting thematic bond certification agencies" refers to making bond certification agencies aware of the breach.</p> <p>This indicator only applies to active fixed income.</p>
Other resources	For further insight into engagements with green bond issuers, see Engaging with sovereign green bond issuers .

Logic

Dependent on	[FI 20] will be applicable for reporting if >0% is reported for any of the options (B), (E), (F), (G) in [OO 6 FI].
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no selection or H. 20 score for 1 selection from A–G. 40 score for 2 selections from A–G. 60 score for 3 selections from A–G. 80 score for 4 selections from A–G. 100 score for 5 or more selections from A–G.
"Other" scored as	Selecting Other (G) will be accepted by the scoring criteria and is equivalent to selecting options A–F.
Multiplier	Moderate x1.5 weighting.

REPORTING/DISCLOSURE

ESG SCREENS [FI 21]

Indicator ID FI 21	Dependent on:	OO 6 FI	Sub-section ESG screens	PRI Principle 6	Type of indicator CORE
	Gateway to:	N/A			
How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?					
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens: _____			[Dropdown list] (1) for all of our fixed income assets subject to ESG screens (2) for the majority of our fixed income assets subject to ESG screens (3) for a minority of our fixed income assets subject to ESG screens (4) for none of our assets subject to ESG screens		
(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes: _____			[As above]		
(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries			[As above]		

Explanatory notes	
Purpose of indicator	This indicator aims to assess how transparent signatories are to clients and/or beneficiaries in their application of ESG screens in fixed income and whether they provide clients and/or beneficiaries 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 and/or beneficiaries to understand. As a minimum standard, signatories should explain these screens to clients and/or beneficiaries. They should also outline and provide updates of changes to these screens and the implications on portfolio structure.
Additional reporting guidance	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.
Other resources	For further guidance on screening, refer to An introduction to responsible investment: screening .
Logic	
Dependent on	[FI 21] will be applicable for reporting if >0% is reported for any of the options (A), (D), (F), (G) in [OO 6 FI].
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 selection from A–C. 32 score for 2 selections from A–C. 50 score for all 3 selections from A–C.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections (3).</p> <p>Per answer selection A to C, each option will be worth the following proportion:</p> <p>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>
Multiplier	High x2 weighting.

ENGAGEMENT

ENGAGING WITH ISSUERS/BORROWERS [FI 22, FI 22.1]

Indicator ID	Dependent on:	OO 09 FI	Sub-section	PRI Principle	Type of indicator	
FI 22	Gateway to:	FI 22.1				
			Engaging with issuers/borrowers	2	CORE	
At which stages does your organisation engage with issuers/borrowers?						
			Fixed income asset types			
			(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) At the pre-issuance/pre-deal stage			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) At the pre-investment stage			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) During the holding period			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) At the refinancing stage			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) When issuers/borrowers default			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanatory notes

Purpose of indicator	This indicator aims to assess whether fixed income investors engage with issuers/borrowers at different points in time. Timing the engagement is a strategic decision because the investor's influence with issuers/borrowers varies throughout the issuance/debt lifecycle. It is considered better practice to engage with the issuer/borrower throughout the investment lifecycle.
Other resources	For further guidance on ESG engagement for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .
Logic	
Dependent on	[FI 22] will be applicable for reporting if options "(A) Through service providers" AND/OR "(C) Through internal staff" are selected for any of the fixed income sub-asset classes in [OO 09 FI]. Regardless of whether the fixed income sub-asset classes selected in [OO 09 FI] are passive or active, they will appear in [FI 22] as "(1) Securitised", "(2) SSA", "(3) Corporate" and "(4) Private debt".
Gateway to	[FI 22.1] will be applicable for reporting if any of response options (A-E) are selected for any fixed income sub-asset classes in [FI 22].
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no answer selection. 32 score for 1 selection from A–E. 64 score for 2 selections from A–E. 100 score for all 3 selections from A, B, D, or 4 or more selections from A–E. Assessment shall be based on the response to selections within the asset types, the number of asset types applicable will not influence assessment.
Multiplier	High x2 weighting.

Indicator ID FI 22.1	Dependent on:	FI 22	Sub-section Engaging with issuers/borrowers	PRI Principle 2	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

- (A) Description of engagement approach for all of our fixed income: _____ [Free text: large]
 (B) Description of engagement approach for our securitised fixed income: _____ [Free text: large]
 (C) Description of engagement approach for our SSA fixed income: _____ [Free text: large]
 (D) Description of engagement approach for our corporate fixed income: _____ [Free text: large]
 (E) Description of engagement approach for our private debt fixed income: _____ [Free text: large]

Explanatory notes

Purpose of indicator	The purpose of this indicator is to allow fixed income investors to elaborate on how they approach their engagement activities. Regular engagement by fixed income investors should be an integral part of their responsible investment approach as both a source of information for investment research and a way to directly influence the issuer's/borrower's management of ESG risks and opportunities. The research used to identify cases of engagement should be continuously integrated with the insights gained during the dialogue with companies and incorporated into investment decisions. It is considered better practice for fixed income investors to engage both individually and collaboratively, depending on the issue.
Additional reporting guidance	Responses should describe why and how signatories engage with issuers/borrowers, providing details on: (1) the reasons why they engage with issuers/borrowers, (2) how insights from engagements are incorporated into investment decisions, (3) how the investment team is involved, (4) whether signatories engage individually, collaboratively or both, (5) how often these engagements take place, (6) how engagements are prioritised, (7) whether signatories tend to engage in specific circumstances (e.g. after an ESG incident occurs), and (8) any further relevant detail.
Other resources	For further guidance on ESG engagement for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .

Logic	
Dependent on	[FI 22.1] will be applicable for reporting if any of response options (A-E) are selected for any fixed income sub-asset classes in [FI 22].
Gateway to	N/A
Assessment	
Not assessed	

SOVEREIGN BONDS [FI 23]

Indicator ID FI 23	Dependent on:	OO 09 FI	Sub-section Sovereign bonds	PRI Principle 2	Type of indicator CORE
	Gateway to:	N/A			

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- ☐ (A) Non-ruling parties
- ☐ (B) Originators and primary dealers
- ☐ (C) Index and ESG data providers
- ☐ (D) Multinational companies/state-owned enterprises (SOEs)
- ☐ (E) Supranational organisations
- ☐ (F) Credit rating agencies (CRAs)
- ☐ (G) Business associations
- ☐ (H) Media
- ☐ (I) NGOs, think tanks and academics
- ☐ (J) Other non-issuer stakeholders, please specify: ____ [Free text: small]
- ☐ (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

Explanatory notes

Purpose of indicator	This indicator aims to assess the extent to which sovereign bond investors engage with stakeholders other than sovereign representatives. It is considered better practice to engage with a variety of stakeholders from the relevant country. This helps investors develop a more objective, apolitical view of the issuer. It also helps them advance engagement objectives by involving a broader set of actors whose roles are less dependent on the electoral cycle.
Additional reporting guidance	Responses should indicate which approach signatories follow in the majority of their engagements. 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 "promote your engagement objectives" refers to (i) gathering data and (ii) influencing policy and other behaviour.
Other resources	For further guidance on ESG engagement for fixed income investors, see ESG engagement for fixed income investors: Managing risks, enhancing returns .

Logic	
Dependent on	[FI 23] will be applicable for reporting if "(A) Through service providers" AND/OR "(C) Through internal staff" are selected for "(1) Passive - SSA" AND/OR "(4) Active - SSA" in [OO 09 FI].
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no answer selection or K. 32 score for 5 selections from A–J. 64 score for 6 selections from A–J. 100 score for 7 or more selections from A–J.
"Other" scored as	Selecting Other (J) will be accepted by the scoring criteria and is equivalent to selecting options A–I.
Multiplier	Moderate x1.5 weighting.