

PRI Reporting Framework

# MANAGER SELECTION, APPOINTMENT AND MONITORING

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2024

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# OVERALL APPROACH

## EXTERNAL INVESTMENT MANAGERS [SAM 1]

|                              |               |       |  |                           |                                  |
|------------------------------|---------------|-------|--|---------------------------|----------------------------------|
| Indicator ID<br><b>SAM 1</b> | Dependent on: | OO 21 | Sub-section<br><b>External investment managers</b> | PRI Principle<br><b>4</b> | Type of indicator<br><b>CORE</b> |
|                              | Gateway to:   | N/A   |  |                           |                                  |

For the majority of your **externally managed** AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of **external investment managers**?

*Answer options refer to external investment managers' responsible investment policies and the practices that your organisation considers relevant for decision making in their assessment.*

|  | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) | (5) Private equity       | (6) Real estate          | (7) Infrastructure       | (8) Hedge funds          |
|--|--------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Organisation</b>  |                          |                            |                             |                           |                            |                          |                          |                          |                          |
| (A) Commitment to and experience in responsible investment | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) <b>Responsible investment policy(ies)</b>              | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (C) Governance structure and senior-level oversight and accountability                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>People and Culture</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (D) Adequate resourcing and incentives   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) Staff competencies and experience in responsible investment                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Investment Process</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (F) Incorporation of material <b>ESG factors</b> in the investment process             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) Incorporation of risks connected to <b>systematic sustainability issues</b> in the | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| investment process   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Stewardship</b>   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (I) Policy(ies) or guidelines on stewardship   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (J) Policy(ies) or guidelines on (proxy) voting  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (K) Use of stewardship tools and activities  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (L) Incorporation of risks connected to systematic sustainability issues in  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| stewardship practices   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (M) Involvement in collaborative engagement and stewardship initiatives | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (N) Engagement with policy makers and other non-investee stakeholders   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (O) Results of stewardship activities                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Performance and Reporting</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (P) ESG disclosure in regular client reporting                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (Q) Inclusion of ESG factors in contractual agreements                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (R) We do not consider any of   |                          | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |



|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| the above responsible investment aspects important in the assessment of external investment managers |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

| Explanatory notes                    |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | This indicator aims to understand the approach signatories take when assessing their external investment managers' responsible investment policies and practices for the majority of their assets in each of the asset classes relevant to them. It is considered good practice to consider the broader range of aspects when assessing external investment managers across all relevant asset classes.  |
| <b>Additional reporting guidance</b> | <p>In answer option (I), 'policy(ies) or guidelines on stewardship' outlines signatories' stewardship approach, i.e. how they use their influence. It may be a standalone policy or guideline or incorporated into a broader responsible investment policy or similar.</p> <p>In answer option (J), 'policy(ies) or guidelines on (proxy) voting' outlines how signatories approach voting decisions, including how ESG factors influence voting decisions and for which types of votes ESG is considered. It may be a standalone policy or guideline or incorporated into a broader responsible investment policy, policy on stewardship or similar.</p> <p>Answer option (J) applies only to those signatories that have a policy on (proxy) voting and outsource (proxy) voting to external investment managers; thus, signatories will not be penalised for not selecting this answer option.</p> <p>In answer option (O), 'results of stewardship activities' may include (but is not limited to) published evidence of changes achieved following stewardship activities, either in summary form or case studies.</p> <p>In answer option (Q), 'contractual agreements' refers to service-level agreements, side letters, investment management agreements (IMA), limited partnership agreements (LPAs), personal contracts or any other legally-binding documents that cover the fiduciary duty of an external manager.</p> <p>In this indicator, 'regular' reporting refers to reporting that occurs at least once a year.</p> |
| <b>Other resources</b>               | For PRI guidance on the selection, appointment and monitoring of external managers, see the PRI's dedicated webpage <a href="#">Asset owner resources</a> .  |

|                            |   |  |
|----------------------------|---|--|
|                            | <p>For further guidance on mandate requirements and RFPs, see <a href="#">ICGN Model Mandate guidance</a>.</p> <p>For further PRI guidance on stewardship and a list of tools, see <a href="#">An introduction to responsible investment: stewardship</a> and the PRI's dedicated webpage <a href="#">About stewardship</a>. For examples of stewardship initiatives, see PRI's dedicated webpage <a href="#">Collaborative engagement</a>.</p> <p>Country-specific guidance on the United Kingdom, South Africa and Germany is available on PRI's webpage on <a href="#">Addressing system barriers</a>.</p> |  |
| <b>Logic</b>               |   |  |
| <b>Dependent on</b>        | [OO 21]   |  |
| <b>Gateway to</b>          | N/A   |  |
| <b>Assessment</b>          |   |  |
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for 13 or more selections from A–Q.<br/> 66 points for 11–12 selections from A–Q.<br/> 33 points for 9–10 selections from A–Q.<br/> 0 points for 1–8 selections from A–Q.<br/> 0 points for R.</p>  | <p>Further details:</p> <p>Selecting 'R' will result in 0/100 points for this indicator.</p> <p>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>Multiplier</b>          | Low   |  |

## SERVICE PROVIDERS [SAM 2]

|              |               |       |                          |               |                   |
|--------------|---------------|-------|--------------------------|---------------|-------------------|
| Indicator ID | Dependent on: | OO 21 | Sub-section              | PRI Principle | Type of indicator |
| <b>SAM 2</b> | Gateway to:   | N/A   | <b>Service providers</b> | <b>4</b>      | <b>CORE</b>       |

Which responsible investment aspects does your organisation consider important when assessing all **service providers** that advise you in the **selection, appointment and/or monitoring of external investment managers**?

- (A) Incorporation of their [responsible investment policy](#) into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other  
Specify: \_\_\_\_ [Mandatory free text: small]
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

### Explanatory notes

|                             |   |
|-----------------------------|---|
| <b>Purpose of indicator</b> | <p>This indicator aims to establish whether signatories take into account responsible investment considerations when assessing the service providers they ask to provide advice in the selection, appointment and/or monitoring of external investment managers, e.g. investment consultants.</p> <p>The oversight of ESG issues by service providers may lead signatories to make suboptimal investment decisions. It is thus considered good practice for signatories to ensure that any services they receive from their service providers, whether for specific assignments or a full-service suite, are aligned with their responsible investment strategies and policies.</p> |
| <b>Other resources</b>      | For further PRI guidance on selecting service providers, which is directed to asset owners but also relevant for investment managers, see <a href="#">Investment consultants and ESG: An asset owner guide</a> .  |
| <b>Logic</b>                |   |
| <b>Dependent on</b>         | [OO 21]   |

|                            |  |   |
|----------------------------|--|---|
| <b>Gateway to</b>          | N/A  |   |
| <b>Assessment</b>          |  |   |
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for 4 selections from A–D.<br/>66 points for 3 selections from A–D.<br/>33 points for 1–2 selection from A–D.<br/>0 points for E, F.</p> | <p>Further details:</p> <p>Selecting 'F' will result in 0/100 points for this indicator.</p> <p>Selecting 'G' means the indicator is scored as N/A. Signatories will not be penalised for this indicator.</p> |
| <b>'Other' scored as</b>   | Selecting Other (E) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.  |   |
| <b>Multiplier</b>          | Moderate   |   |

## POOLED FUNDS [SAM 3]

| Indicator ID<br><b>SAM 3</b>  | Dependent on:       | OO 5.2, OO 21                   | Sub-section<br><b>Pooled funds</b> | PRI Principle<br><b>4</b> | Type of indicator<br><b>PLUS</b><br>VOLUNTARY TO DISCLOSE |
|---|---------------------|---------------------------------|------------------------------------|---------------------------|---|
|   | Gateway to:         | N/A                             |                                    |                           |   |
| If you invest in <b>pooled funds</b> , describe how you incorporate responsible investment aspects into the <b>selection, appointment and/or monitoring of external investment managers</b> . |                     |                                 |                                    |                           |   |
|   |                     | <b>Provide example(s) below</b> |                                    |                           |   |
| (A) Selection   | [Free text: medium] |                                 |                                    |                           |   |
| (B) Appointment   | [Free text: medium] |                                 |                                    |                           |   |
| (C) Monitoring  | [Free text: medium] |                                 |                                    |                           |   |

### Explanatory notes

|                                      |   |
|--------------------------------------|---|
| <b>Purpose of indicator</b>          | This indicator provides signatories that invest in pooled funds with the opportunity to describe how they incorporate responsible investment aspects in the selection, appointment and monitoring of external investment managers.  |
| <b>Additional reporting guidance</b> | Signatories are invited to provide one example for each answer option (A) to (C), including the asset classes to which the examples refer. They may include novel and innovative approaches to the selection, appointment and monitoring of external investment managers in pooled funds, such as the dialogue with and influence of such managers, collaboration with other investors, requirements during each stage that informs decision making and the ongoing management of those assets. |
| <b>Other resources</b>               | For further PRI guidance on the selection, appointment and monitoring of external managers, see the PRI's dedicated webpage <a href="#">Asset owner resources</a> .   |

### Logic

|                     |                   |
|---------------------|-------------------|
| <b>Dependent on</b> | [OO 5.2], [OO 21] |
| <b>Gateway to</b>   | N/A               |

## Assessment

| Assessment criteria | Not assessed. |
|---------------------|---------------|
|---------------------|---------------|

# SELECTION

## RESPONSIBLE INVESTMENT PRACTICES [SAM 4, SAM 5]

| Indicator ID   | Dependent on: | OO 12, OO 21               | Sub-section                             | PRI Principle  | Type of indicator |
|--|---------------|----------------------------|---|----------------|-------------------|
| <b>SAM 4</b>   | Gateway to:   | <b>SAM 5, SAM 6, SAM 7</b> | <b>Responsible investment practices</b> | <b>General</b> | <b>CORE</b>       |
| <p><b>During the reporting year, did your organisation select new <a href="#">external investment managers</a> or allocate new mandates to existing investment managers?</b></p> <p> <input type="radio"/> (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year<br/> <input type="radio"/> (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year<br/> <input type="radio"/> (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM<br/>                     Provide details on the captive relationship: _____ [Voluntary free text: medium]                 </p> |               |                            |   |                |                   |

| Explanatory notes                    |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | This indicator aims to understand whether the signatory has selected new external investment managers or allocated new mandates to existing investment managers during the reporting year. Responses to this indicator will determine whether the following indicators on the selection of external investment managers apply to the signatory.  |
| <b>Additional reporting guidance</b> | In this indicator, 'captive relationship' refers to the relationship between some asset owners and their external investment managers, in which the asset owner has to work with a specific external investment manager and does not have the option to choose a different one. This may be the case, for instance, when the asset owner and the external investment manager belong to the same group or corporation. It does not include cases where the signatory has a strong historical relationship with their external investment manager but could freely select a different one. |
| <b>Other resources</b>               | For further PRI guidance on the selection of external managers, see the PRI's technical guide <a href="#">Asset owner guide: investment manager selection</a> and PRI's dedicated webpage <a href="#">Manager selection</a> .  |
| Logic                                |  |
| <b>Dependent on</b>                  | [OO 12], [OO 21]   |
| <b>Gateway to</b>                    | [SAM 5], [SAM 6], [SAM 7]  |

| Assessment          |               |
|---------------------|---------------|
| Assessment criteria | Not assessed. |



| Indicator ID   | Dependent on: | SAM 4 | Sub-section  | PRI Principle | Type of indicator |
|--|---------------|-------|--|---------------|-------------------|
| <b>SAM 5</b>   | Gateway to:   | N/A   | <b>Responsible investment practices</b>  | <b>4</b>      | <b>CORE</b>       |
| <p><b>During the reporting year, what responsible investment aspects did your organisation, or the <a href="#">service provider</a> acting on your behalf, review and evaluate when <a href="#">selecting</a> new <a href="#">external investment managers</a> or allocating new mandates to existing investment managers?</b></p> <p><i>Answer options refer to the actions your organisation has undertaken when selecting external investment managers during the reporting year.</i></p> |               |       |  |               |                   |
| <b>Organisation</b>  |               |       |  |               |                   |
| <input type="checkbox"/> (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)   |               |       | [Dropdown list]<br>(1) for all of our mandates<br>(2) for a majority of our mandates<br>(3) for a minority of our mandates |               |                   |
| <input type="checkbox"/> (B) <a href="#">Responsible investment policy(ies)</a> (e.g. the alignment of their responsible investment policy with the investment mandate)  |               |       | [As above]   |               |                   |
| <input type="checkbox"/> (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)   |               |       | [As above]   |               |                   |
| <b>People and Culture</b>  |               |       |  |               |                   |
| <input type="checkbox"/> (D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)   |               |       | [As above]   |               |                   |
| <input type="checkbox"/> (E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)   |               |       | [As above]   |               |                   |
| <b>Investment Process</b>  |               |       |  |               |                   |

|  |            |
|--|------------|
| <input type="checkbox"/> (F) Incorporation of material <b>ESG factors</b> in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)                              | [As above] |
| <input type="checkbox"/> (G) Incorporation of risks connected to <b>systematic sustainability issues</b> in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction) | [As above] |
| <input type="checkbox"/> (H) Incorporation of material ESG factors and <b>ESG risks</b> connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)   | [As above] |
| <b>Performance and Reporting</b>   |            |
| <input type="checkbox"/> (I) ESG disclosure in regular client reporting  | [As above] |
| <input type="checkbox"/> (J) Inclusion of ESG factors in contractual agreements  | [As above] |
| <input type="radio"/> (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year                          |            |

| Explanatory notes                    |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | This indicator aims to understand the process and analysis undertaken during the reporting year when selecting new external investment managers or allocating new mandates to existing investment managers. It is considered good practice that the vast majority of the responsible investment aspects are reviewed and evaluated during this process for all new mandates or capital allocated across asset classes.   |
| <b>Additional reporting guidance</b> | <p>The dropdown options refer to both new segregated funds or new allocations to pooled or collective investment vehicles.</p> <p>Any assets under a captive relationship with external investment managers should be excluded from the total (i.e. the denominator) when calculating the proportion of mandates to which a certain practice applies. The term 'captive relationship' refers to the relationship between some asset owners and their external investment managers, in which the asset owner must work with a specific external investment manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external investment manager belong to the same group or corporation. It does not include cases where the signatory has a strong historical relationship with their external investment manager but could have freely selected a different one.</p> <p>In this indicator, 'regular' reporting refers to reporting that occurs at least once a year.</p> |

|                            |  |            |   |
|----------------------------|--|------------|---|
|                            | In answer option (J), 'contractual agreement' refers to service-level agreements, side letters, investment management agreements (IMA), limited partnership agreements (LPAs), personal contracts or any other legally-binding documents that cover the fiduciary duty of the external investment manager.   |            |   |
| <b>Other resources</b>     | <p>For further PRI guidance on the selection of external managers, see the PRI's technical guide <a href="#">Asset owner guide: investment manager selection</a> and PRI's dedicated webpage <a href="#">Manager selection</a>.</p> <p>For further guidance on mandate requirements and RFPs, see <a href="#">ICGN Model Mandate guidance</a>.</p> |            |   |
| <b>Logic</b>               |  |            |   |
| <b>Dependent on</b>        | [SAM 4]  |            |   |
| <b>Gateway to</b>          | N/A  |            |   |
| <b>Assessment</b>          |  |            |   |
| <b>Assessment criteria</b> | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.  |            |   |
|                            | 50 points for the lettered answer options:<br>50 points for 9 or more selections from A–J.<br>37 points for 8 selections from A–J.<br>25 points for 7 selections from A–J.<br>12 points for 6 selections from A–J.<br>0 points for 1–5 selections from A–J.<br>0 points for K.   | <b>AND</b> | 50 points for the coverage:<br>Per answer selection A to J, each option will be worth the following proportion:<br>50/9 points for all (1).<br>25/9 points for a majority (2).<br>12/9 points for a minority (3). |
| <b>Multiplier</b>          | Moderate   |            |   |

## STEWARDSHIP [SAM 6, SAM 7]

| Indicator ID  | Dependent on:  | OO 8, OO 21, SAM 4 | Sub-section | PRI Principle | Type of indicator |
|---|--|--------------------|-------------|---------------|-------------------|
| SAM 6   | Gateway to:  | N/A                |             |               |                   |
| <p>During the reporting year, which aspects of the <b>stewardship</b> approach did your organisation, or the <b>service provider</b> acting on your behalf, review and evaluate when <b>selecting</b> new <b>external investment managers</b> or allocating new mandates to existing investment managers?</p>     |  |                    |             |               |                   |
| <p><i>Answer options refer to the actions your organisation has undertaken when selecting external investment managers during the reporting year. The actions should aim to validate the stewardship aspects that your organisation considers important in your external investment managers' assessment.</i></p> |  |                    |             |               |                   |
| <input type="checkbox"/> (A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate  | [Dropdown list]<br><br>(1) for all of our mandates<br>(2) for a majority of our mandates<br>(3) for a minority of our mandates |                    |             |               |                   |
| <input type="checkbox"/> (B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities   | [As above]   |                    |             |               |                   |
| <input type="checkbox"/> (C) Their participation in <b>collaborative engagements</b> and stewardship initiatives  | [As above]   |                    |             |               |                   |
| <input type="checkbox"/> (D) Details of their <b>engagements</b> with companies or issuers on risks connected to <b>systematic sustainability issues</b>  | [As above]   |                    |             |               |                   |
| <input type="checkbox"/> (E) Details of their engagement activities with policy makers  | [As above]   |                    |             |               |                   |
| <input type="checkbox"/> (F) Their <b>escalation</b> process and the escalation tools included in their policy on stewardship   | [As above]   |                    |             |               |                   |

○ (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

| Explanatory notes                    |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | <p>This indicator aims to assess the extent to which external investment managers' stewardship activities are evaluated as part of the selection process.</p> <p>The PRI expects signatories to be active owners and incorporate ESG issues into their ownership policies and practices. For signatories that use external investment managers, it is considered good practice to examine the degree to which potential managers align with the signatory's internal stewardship policy(ies) and objectives. Assessing external managers' track records in stewardship activities and policy implementation can assist in this process.</p>  |
| <b>Additional reporting guidance</b> | <p>The dropdown options refer to both new segregated funds and new allocations to pooled or collective investment vehicles.</p> <p>Any assets under a captive relationship with external investment managers should be excluded from the total (i.e. the denominator) when calculating the proportion of mandates to which a certain practice applies. The term 'captive relationship' refers to the relationship between some asset owners and their external investment managers, in which the asset owner must work with a specific external investment manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external investment manager belong to the same group or corporation. It does not include cases where the signatory has a strong historical relationship with their external investment manager but could have freely selected a different one.</p> <p>For securitised products, engagement can be either with the CLO manager or for RMBS, CMBS, ABS, etc., with the deal manager, originator, sponsor or servicer.</p> <p>For SSA investors, engagement can be with the following entities: sovereign representatives, non-ruling parties, originators, and primary dealers, ESG index and data providers, multinational companies/state-owned enterprises (SOEs), supranational organisations, business associations, media, NGOs, think tanks and academic institutions, others.</p> <p>Escalation in the context of stewardship is the approach an investor takes if initial stewardship approaches are unsuccessful at achieving its objectives over a given time period. Escalation differs by asset class and investor type, but generally involves the use of increasingly assertive stewardship tools and activities. Examples of steps that investors can take as escalation measures differ by asset class, but include:</p> <ul style="list-style-type: none"> <li>• Joining or broadening an existing collaborative engagement or creating a new one;</li> <li>• Filing, co-filing, and/or submitting a shareholder resolution or proposal;</li> <li>• Using voting powers for other votes (e.g. voting against the re-election of one or more board directors);</li> <li>• Making changes to the management/operation of directly controlled portfolio companies or real assets;</li> <li>• Refusing additional finance until practices improve (e.g. refusing to subscribe to new or reissued bonds);</li> <li>• Publicly engaging the entity, e.g. by signing an open letter;</li> <li>• Divesting; or</li> <li>• Litigation</li> </ul> |

|                            |   |            |   |
|----------------------------|---|------------|---|
| <b>Other resources</b>     | <p>Further information and resources on stewardship can be found on PRI's dedicated <a href="#">stewardship</a> webpage.</p> <p>For examples of stewardship initiatives, see PRI's dedicated webpage <a href="#">Collaborative engagement</a>.</p> <p>Country-specific guidance on the United Kingdom, South Africa and Germany is available on the PRI webpage <a href="#">Addressing system barriers</a>.</p> <p>For further guidance on how to assess external managers' responsible investment practices, see <a href="#">Asset owner technical guide – investment manager selection guide</a>.</p> |            |   |
| <b>Logic</b>               |   |            |   |
| <b>Dependent on</b>        | [OO 8], [OO 21], [SAM 4]  |            |   |
| <b>Gateway to</b>          | N/A   |            |   |
| <b>Assessment</b>          |   |            |   |
| <b>Assessment criteria</b> | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.   |            |   |
|                            | 50 points for the lettered answer options:<br><br>50 points for 5 or more selections from A–F.<br>33 points for 4 selections from A–F.<br>16 points for 1-3 selections from A–F.<br>0 points for G.   | <b>AND</b> | 50 points for the coverage:<br><br>Per answer selection A to F, each option will be worth the following proportion:<br>50/5 points for all (1).<br>25/5 points for a majority (2).<br>12/5 points for a minority (3). |
| <b>Multiplier</b>          | Moderate  |            |   |

|                              |               |                           |                                   |                           |                                  |
|------------------------------|---------------|---------------------------|-----------------------------------|---------------------------|----------------------------------|
| Indicator ID<br><b>SAM 7</b> | Dependent on: | <b>OO 9, OO 21, SAM 4</b> | Sub-section<br><b>Stewardship</b> | PRI Principle<br><b>4</b> | Type of indicator<br><b>CORE</b> |
|                              | Gateway to:   | <b>N/A</b>                |                                   |                           |                                  |

During the reporting year, which aspects of **(proxy) voting** did your organisation, or the **service provider** acting on your behalf, review and evaluate when **selecting new external investment managers** or allocating new mandates to existing investment managers?

*Answer options refer to the (proxy) voting aspects that your organisation evaluated when selecting external investment managers during the reporting year.*

|  |  |
|--|--|
| <input type="checkbox"/> (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate  | [Dropdown list]<br><br>(1) for all of our mandates<br>(2) for a majority of our mandates<br>(3) for a minority of our mandates |
| <input type="checkbox"/> (B) Historical information on the number or percentage of general meetings at which they voted  | [As above]   |
| <input type="checkbox"/> (C) Analysis of votes cast for and against  | [As above]   |
| <input type="checkbox"/> (D) Analysis of votes cast for and against resolutions related to risks connected to <b>systematic sustainability issues</b>  | [As above]   |
| <input type="checkbox"/> (E) Details of their position on any controversial and high-profile votes   | [As above]   |
| <input type="checkbox"/> (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why   | [As above]   |
| <input type="checkbox"/> (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest | [As above]   |

- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/ or hedge funds that hold equity

| Explanatory notes                    |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | <p>This indicator aims to assess the extent to which external investment managers' (proxy) voting activities are evaluated as part of their selection process.</p> <p>PRI expects its signatories to be active owners and incorporate ESG issues into their ownership policies and practices. For signatories that use external investment managers, it is considered good practice to examine whether potential managers will help them meet their stewardship objectives. Assessing external investment managers' track records in (proxy) voting activities and policy implementation can assist with this process.</p>   |
| <b>Additional reporting guidance</b> | <p>This indicator applies only to signatories that conduct (proxy) voting via external investment managers and have externally managed listed equity and/or hedge funds that hold equity.</p> <p>The dropdown options refer to both new segregated funds and new allocations to pooled or collective investment vehicles.</p> <p>Any assets under a captive relationship with external investment managers should be excluded from the total (i.e. the denominator) when calculating the proportion of mandates to which a certain practice applies. The term 'captive relationship' refers to the relationship between some asset owners and their external investment managers, in which the asset owner must work with a specific external investment manager and does not have the possibility to choose a different one. This may be the case, for instance, when the signatory and the external investment manager belong to the same group or corporation. It does not include cases where the signatory has a strong historical relationship with their external investment manager but could have freely selected a different one.</p> <p>For the purpose of this indicator, 'controversial and high-profile votes' refers to votes that have received significant attention amongst institutional investors (such as high levels of discussion within a collaborative engagement, or public discussion on social networks like LinkedIn), in the media (for example, in the responsible investment trade press or mainstream financial media) or otherwise have received attention (for example, by proxy agencies, investor networks or organisations such as PRI).</p> |
| <b>Other resources</b>               | <p>Further information and resources on stewardship can be found on the PRI's dedicated <a href="#">stewardship</a> webpage.</p> <p>For further guidance on how to assess external managers' responsible investment practices, see <a href="#">Asset owner technical guide – investment manager selection guide</a>.</p>   |
| Logic                                |  |
| <b>Dependent on</b>                  | [OO 9], [OO 21], [SAM 4]   |



|                            |   |            |   |
|----------------------------|---|------------|---|
| <b>Gateway to</b>          | N/A   |            |   |
| <b>Assessment</b>          |   |            |   |
| <b>Assessment criteria</b> | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. |            |   |
|                            | 50 points for the lettered answer options:<br><br>50 points for all 7 selections from A–G.<br>33 points for 5–6 selections from A–G.<br>16 points for 1–4 selections from A–G.<br>0 points for H.                     | <b>AND</b> | 50 points for the coverage:<br><br>Per answer selection A to G, each option will be worth the following proportion:<br>50/7 points for all (1).<br>25/7 points for a majority (2).<br>12/7 points for a minority (3). |
| <b>Multiplier</b>          | Moderate  |            |   |

# APPOINTMENT

## SEGREGATED MANDATES [SAM 8]

| Indicator ID  | Dependent on: | OO 5.2, OO 13, OO 21 | Sub-section   | PRI Principle | Type of indicator |
|---|---------------|----------------------|---|---------------|-------------------|
| <b>SAM 8</b>  | Gateway to:   | N/A                  | <b>Segregated mandates</b>  | <b>4</b>      | <b>CORE</b>       |
| <p><b>Which responsible investment aspects do your organisation, or the <a href="#">service provider</a> acting on your behalf, explicitly include in clauses within your contractual agreements with your <a href="#">external investment managers</a> for <a href="#">segregated mandates</a>?</b></p> <p><i>Indicate the proportion of your organisation's segregated mandates out of the total number of mandates to which each of these requirements applies, regardless of when the appointment of external investment managers occurred.</i></p> |               |                      |   |               |                   |
| <input type="checkbox"/> (A) Their commitment to following our responsible investment strategy in the management of our assets  |               |                      | [Dropdown list]<br>(1) for all of our segregated mandates<br>(2) for a majority of our segregated mandates<br>(3) for a minority of our segregated mandates |               |                   |
| <input type="checkbox"/> (B) Their commitment to incorporating <a href="#">material ESG factors</a> into their investment activities  |               |                      | [As above]  |               |                   |
| <input type="checkbox"/> (C) Their commitment to incorporating material ESG factors into their <a href="#">stewardship</a> activities   |               |                      | [As above]  |               |                   |
| <input type="checkbox"/> (D) Their commitment to incorporating risks connected to <a href="#">systematic sustainability issues</a> into their investment activities   |               |                      | [As above]  |               |                   |
| <input type="checkbox"/> (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities  |               |                      | [As above]  |               |                   |

|  |            |
|--|------------|
| <input type="checkbox"/> (F) <b>Exclusion</b> list(s) or criteria  | [As above] |
| <input type="checkbox"/> (G) Responsible investment communications and reporting obligations, including stewardship activities and results   | [As above] |
| <input type="checkbox"/> (H) Incentives and controls to ensure alignment of interests  | [As above] |
| <input type="checkbox"/> (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD   | [As above] |
| <input type="checkbox"/> (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights | [As above] |
| <input type="checkbox"/> (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments                              | [As above] |
| <input type="checkbox"/> (L) Other<br>Specify: ____ [Mandatory free text: small]   | [As above] |
| <input type="radio"/> (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates          |            |

### Explanatory notes

|                             |   |
|-----------------------------|---|
| <b>Purpose of indicator</b> | <p>This indicator aims to assess the extent to which signatories include binding responsible investment elements or criteria in clauses within contractual agreements when appointing external investment managers for segregated funds.</p> <p>The purpose of the appointment process is to transfer investment mandate requirements into legally-binding documentation. It is thus considered good practice for signatories to include responsible investment requirements in this legal documentation to ensure that the external investment managers' activities meet the responsible investment requirements laid out in the signatories' proposal requests.</p> |
|-----------------------------|---|

|                                      |  |            |   |
|--------------------------------------|--|------------|---|
| <b>Additional reporting guidance</b> | In this indicator, 'contractual agreements' refer to service-level agreements, side letters, investment management agreements (IMA), limited partnership agreements (LPAs), personal contracts or any other legally-binding documents that cover the fiduciary duty of the external manager.   |            |   |
| <b>Other resources</b>               | <p>For further guidance on potential clauses to include in external investment managers' appointment contracts, see the <a href="#">Asset owner technical guide - investment manager appointment guide</a>.</p> <p>Further information and resources on stewardship can be found on the PRI's dedicated <a href="#">stewardship</a> webpage.</p> <p>For further guidance on mandate requirements and RFPs, see <a href="#">ICGN Model Mandate guidance</a>.</p> <p>See also:</p> <ol style="list-style-type: none"> <li>1. <a href="#">TCFD's guidance on climate-related disclosures</a></li> <li>2. <a href="#">OECD Guidelines for Multinational Enterprises</a></li> <li>3. <a href="#">UN Guiding Principles on Business and Human Rights</a></li> <li>4. <a href="#">An introduction to responsible investment: Climate change for asset owners</a></li> <li>5. <a href="#">Investment mandates: Embedding ESG factors, improving sustainability outcomes</a></li> </ol> |            |   |
| <b>Logic</b>                         |  |            |   |
| <b>Dependent on</b>                  | [OO 5.2], [OO 13], [OO 21]   |            |   |
| <b>Gateway to</b>                    | N/A  |            |   |
| <b>Assessment</b>                    |  |            |   |
| <b>Assessment criteria</b>           | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.  |            |   |
|                                      | 50 points for the lettered answer options:<br><br>50 points for 8 or more selections from A–K.<br>33 points for 6–7 selections from A–K.<br>16 points for 4–5 selections from A–K.<br>0 points for 1–3 selection from A–K.<br>0 points for L, M.   | <b>AND</b> | 50 points for the coverage:<br><br>Per answer selection A to K, each option will be worth the following proportion:<br>50/8 points for all (1).<br>25/8 points for a majority (2).<br>12/8 points for a minority (3). |
| <b>'Other' scored as</b>             | Selecting Other (L) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.  |            |   |
| <b>Multiplier</b>                    | Moderate   |            |   |

# MONITORING

## RESPONSIBLE INVESTMENT PRACTICES [SAM 9, SAM 10, SAM 11, SAM 12]

| Indicator ID<br><b>SAM 9</b>   | Dependent on:            | OO 14, OO 21                      | Sub-section<br><b>Responsible investment practices</b> |                                  |                                   |                           | PRI Principle<br><b>4</b> | Type of indicator<br><b>CORE</b> |                          |                          |
|--|--------------------------|-----------------------------------|--|----------------------------------|-----------------------------------|---------------------------|---------------------------|----------------------------------|--------------------------|--------------------------|
|  | Gateway to:              | N/A                               |  |                                  |                                   |                           |                           |                                  |                          |                          |
| <p>For the majority of your <b>externally managed</b> AUM in each asset class, which aspects of your <b>external investment managers'</b> responsible investment practices did your organisation, or the <b>service provider</b> acting on your behalf, <b>monitor</b> during the reporting year?</p> <p><i>Answer options refer to the actions your organisation has undertaken when monitoring external investment managers during the reporting year.</i></p> |                          |                                   |  |                                  |                                   |                           |                           |                                  |                          |                          |
|  | <b>All assets</b>        | <b>(1) Listed equity (active)</b> | <b>(2) Listed equity (passive)</b>                     | <b>(3) Fixed income (active)</b> | <b>(4) Fixed income (passive)</b> | <b>(5) Private equity</b> | <b>(6) Real estate</b>    | <b>(7) Infrastructure</b>        | <b>(8) Hedge funds</b>   |                          |
| <b>Organisation</b>  |                          |                                   |  |                                  |                                   |                           |                           |                                  |                          |                          |
| (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)  | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/>                               | <input type="checkbox"/>         | <input type="checkbox"/>          | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) <b>Responsible investment policy(ies)</b> (e.g. the continued alignment of their responsible investment policy with the investment mandate)  | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/>                               | <input type="checkbox"/>         | <input type="checkbox"/>          | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> |

|  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>People and Culture</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Investment Process</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (F) Incorporation of <b>material ESG factors</b> in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) Incorporation of risks connected to <b>systematic</b>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)                                       |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Performance and Reporting</b>  |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (J) Inclusion of ESG factors in contractual agreements  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year   |                          | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |

**Explanatory notes**

|                                      |   |  |
|--------------------------------------|---|--|
| <b>Purpose of indicator</b>          | <p>This indicator aims to understand the process and analysis undertaken during the reporting year in monitoring external investment managers for the majority of investments in each asset class. It is considered good practice that the broader set of responsible investment aspects stated is evaluated during this process for the majority of externally managed investments across asset classes.</p> <p>Monitoring is key to the ongoing assessment of responsible investment practices of external investment managers during the investment period. It is considered good practice for signatories to examine them thoroughly across asset classes to ensure that the terms of the appointment contract are fulfilled.</p> |  |
| <b>Additional reporting guidance</b> | To ensure the responsible investment practices stated in the contractual agreements are fulfilled, the comprehensive monitoring of external investment managers, using a variety of methods, is important.  |  |
| <b>Other resources</b>               | <p>For further guidance on monitoring external managers' responsible investment practices, including disclosure resources and a disclosure tool, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a>.</p> <p>For further guidance on mandate requirements and RFPs, see <a href="#">ICGN Model Mandate guidance</a>.</p>  |  |
| <b>Logic</b>                         |   |  |
| <b>Dependent on</b>                  | [OO 14], [OO 21]  |  |
| <b>Gateway to</b>                    | N/A   |  |
| <b>Assessment</b>                    |   |  |
| <b>Assessment criteria</b>           | <p>100 points for this indicator.</p> <p>100 points for 9 or more selections from A–J.</p> <p>33 points for 8 selections from A–J.</p> <p>16 points for 7 selections from A–J.</p> <p>0 points for 1-6 selection from A–J.</p> <p>0 points for K.</p>   | <p>Further details:</p> <p>Selecting 'K' will result in 0/100 points for this indicator.</p> <p>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>Multiplier</b>                    | Moderate  |  |



|                               |               |                     |  |                           |   |
|-------------------------------|---------------|---------------------|--|---------------------------|---|
| Indicator ID<br><b>SAM 10</b> | Dependent on: | <b>OO 14, OO 21</b> | Sub-section<br><b>Responsible investment practices</b> | PRI Principle<br><b>1</b> | Type of indicator<br><b>PLUS</b><br>VOLUNTARY TO DISCLOSE |
|                               | Gateway to:   | <b>N/A</b>          |  |                           |   |

During the reporting year, which information did your organisation, or the [service provider](#) acting on your behalf, monitor for externally managed ESG [passive](#) products and strategies?

|   | (1) Listed equity (passive) | (2) Fixed income (passive) |
|---|-----------------------------|----------------------------|
| (A) How the external investment managers applied, reviewed and verified <a href="#">screening</a> criteria  | <input type="checkbox"/>    | <input type="checkbox"/>   |
| (B) How the <a href="#">external investment managers</a> rebalanced the products as a result of changes in ESG rankings, ratings or <a href="#">indexes</a> | <input type="checkbox"/>    | <input type="checkbox"/>   |
| (C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process  | <input type="checkbox"/>    | <input type="checkbox"/>   |
| (D) Other<br>Specify: _____ [Mandatory free text: small]  | <input type="checkbox"/>    | <input type="checkbox"/>   |
| (E) We did not monitor ESG passive products and strategies  | <input type="radio"/>       | <input type="radio"/>      |
| (F) Not applicable; we do not invest in ESG passive products and strategies   | <input type="radio"/>       | <input type="radio"/>      |

#### Explanatory notes

##### Purpose of indicator

This indicator aims to capture how signatories monitor their externally managed ESG passive investments. It is considered good practice for signatories to monitor the ESG incorporation and other aspects of responsible investment in ESG passive products and strategies to ensure they meet the claims made by external investment managers.

|                        |   |
|------------------------|---|
| <b>Other resources</b> | For further guidance on monitoring external managers, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a> .<br>For further reference on responsible investment in passive products, see <a href="#">Discussion paper: How can a passive investor be a responsible investor?</a> |
| <b>Logic</b>           |   |
| <b>Dependent on</b>    | [OO 14], [OO 21]  |
| <b>Gateway to</b>      | N/A   |
| <b>Assessment</b>      |   |
| Not assessed           |   |

|                               |               |                     |  |                           |   |
|-------------------------------|---------------|---------------------|--|---------------------------|---|
| Indicator ID<br><b>SAM 11</b> | Dependent on: | <b>OO 14, OO 21</b> | Sub-section<br><b>Responsible investment practices</b> | PRI Principle<br><b>1</b> | Type of indicator<br><b>PLUS</b><br>VOLUNTARY TO DISCLOSE |
|                               | Gateway to:   | <b>N/A</b>          |  |                           |   |

Describe an innovative practice you adopted as part of **monitoring your external investment managers'** responsible investment practices in a specific asset class during the reporting year.

[Free text: medium]

### Explanatory notes

|                                      |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | This indicator provides signatories with the opportunity to elaborate on any leading or innovative practices in their external investment managers' responsible investment monitoring practices that, in the signatory's opinion, contribute to advancing ESG incorporation into a specific practice or asset class. |
| <b>Additional reporting guidance</b> | The practice described may be applied to a minority, majority, or all of the signatory's investments in a specific asset class.  |
| <b>Other resources</b>               | For further guidance on monitoring external managers, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a> .  |

### Logic

|                     |                  |
|---------------------|------------------|
| <b>Dependent on</b> | [OO 14], [OO 21] |
| <b>Gateway to</b>   | N/A              |

### Assessment

Not assessed

|                               |               |              |  |                           |                                  |
|-------------------------------|---------------|--------------|--|---------------------------|----------------------------------|
| Indicator ID<br><b>SAM 12</b> | Dependent on: | OO 14, OO 21 | Sub-section<br><b>Responsible investment practices</b> | PRI Principle<br><b>1</b> | Type of indicator<br><b>CORE</b> |
|                               | Gateway to:   | N/A          |  |                           |                                  |

For the majority of your **externally managed** AUM in each asset class, how often does your organisation, or the **service provider** acting on your behalf, **monitor** your **external investment managers'** responsible investment practices?

|                           | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) | (5) Private equity       | (6) Real estate          | (7) Infrastructure       | (8) Hedge funds          |
|---------------------------|--------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (A) At least annually     | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Less than once a year | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) On an ad hoc basis    | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Explanatory notes

|                                      |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | <p>This indicator aims to assess how frequently signatories conduct monitoring activities.</p> <p>Regular monitoring allows signatories to maintain an understanding of the external investment managers' activities. It typically improves performance, as underperforming areas can be addressed and issues are raised sooner rather than later.</p> <p>The monitoring frequency depends on the needs of the asset owner and the type of disclosures involved. Some disclosures may require greater frequency or may be triggered due to an incident. Reporting frequency should be agreed upon between the signatory and the external investment manager.</p> |
| <b>Additional reporting guidance</b> | In this indicator, 'on an ad hoc basis' refers, for example, to whenever significant changes, incidents or ESG-linked events occur.  |
| <b>Other resources</b>               | For further guidance on monitoring external managers, including reporting and its frequency, see <a href="#">Asset owner technical guide – investment manager monitoring guide</a> .   |

| Logic                      |  |
|----------------------------|--|
| <b>Dependent on</b>        | [OO 14], [OO 21]   |
| <b>Gateway to</b>          | N/A  |
| Assessment                 |  |
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for both A and C.<br/>75 points for A.<br/>50 points for both B and C.<br/>25 points for 1 selection from B-C.</p> <p>Further details:<br/><br/>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>Multiplier</b>          | Moderate   |

## STEWARDSHIP [SAM 13, SAM 14]

|                               |               |             |                                   |                              |                                  |
|-------------------------------|---------------|-------------|-----------------------------------|------------------------------|----------------------------------|
| Indicator ID<br><b>SAM 13</b> | Dependent on: | OO 8, OO 21 | Sub-section<br><b>Stewardship</b> | PRI Principle<br><b>1, 2</b> | Type of indicator<br><b>CORE</b> |
|                               | Gateway to:   | N/A         |                                   |                              |                                  |

For the majority of your **externally managed** AUM in each asset class, which aspects of your **external investment managers'** **stewardship** practices did your organisation, or the **service provider** acting on your behalf, **monitor** during the reporting year?

|  | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) | (5) Private equity       | (6) Real estate          | (7) Infrastructure       | (8) Hedge funds          |
|--|--------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (A) Any changes in their policy(ies) or guidelines on stewardship                  | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) The degree of implementation of their policy(ies) or guidelines on stewardship | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) How they prioritise <b>material ESG factors</b>                                | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) How they prioritise risks connected to <b>systematic sustainability issues</b> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) Their investment team's level of involvement in stewardship activities         | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (F) Whether the results of stewardship actions were fed back                       | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| into the investment process and decisions   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| (G) Whether they used a variety of <a href="#">stewardship tools and activities</a> to advance their stewardship priorities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (H) The deployment of their <a href="#">escalation</a> process in cases where initial stewardship efforts were unsuccessful | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (I) Whether they participated in <a href="#">collaborative engagements</a> and stewardship initiatives                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (J) Whether they had an active role in collaborative engagements and stewardship initiatives                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (K) Other<br>Specify: _____ [Mandatory free text: small]  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (L) We did not monitor our external investment managers' stewardship practices during the reporting year                    |                          | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |

### Explanatory notes

|                             |   |
|-----------------------------|---|
| <b>Purpose of indicator</b> | This indicator aims to assess the extent to which signatories monitored their external managers' stewardship practices. Monitoring is key to assessing the stewardship practices of external investment managers during the investment period. It is considered good practice for signatories to examine such practices thoroughly across asset classes to ensure that the terms of the appointment contract are fulfilled and that external investment managers' stewardship practices are aligned with the signatory's interests. |
|-----------------------------|---|

|   |   |
|---|---|
| <p><b>Additional reporting guidance</b></p> | <p>Policy(ies) or guidelines on stewardship outline signatories' stewardship approach, i.e. how they use their influence. It may be a standalone policy or guideline or incorporated into a broader responsible investment policy.</p> <p>In answer option B, the 'degree of implementation of their stewardship policy' refers to the extent to which external investment managers' past activities matched the commitments and priorities outlined in their stewardship policy.</p> <p>In answer options C and D, 'prioritising' systematic sustainability issues and/or ESG factors refers to (i) including these issues among the external investment manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest between various stewardship objectives.</p> <p>Escalation in the context of stewardship is the approach an investor takes if initial stewardship approaches are unsuccessful at achieving its objectives over a given time period. Escalation differs by asset class and investor type, but generally involves the use of increasingly assertive stewardship tools and activities. Examples of steps that investors can take as escalation measures differ by asset class, but include:</p> <ul style="list-style-type: none"> <li>• Joining or broadening an existing collaborative engagement or creating a new one;</li> <li>• Filing, co-filing, and/or submitting a shareholder resolution or proposal;</li> <li>• Using voting powers for other votes (e.g. voting against the re-election of one or more board directors);</li> <li>• Making changes to the management/operation of directly controlled portfolio companies or real assets;</li> <li>• Refusing additional finance until practices improve (e.g. refusing to subscribe to new or reissued bonds);</li> <li>• Publicly engaging the entity, e.g. by signing an open letter;</li> <li>• Divesting; or</li> <li>• Litigation</li> </ul> <p>PRI recognises that participation and active support for stewardship initiatives may be limited for signatories investing in asset classes that offer fewer collaboration opportunities.</p> <p>In answer option J, external investment managers are understood to take an 'active role' in collaborative stewardship initiatives if they demonstrate significant contributions of time and other resources (commensurate to their AUM) to such initiatives. Such practices may involve being a lead investor for collaborative engagement activities, contributing to the governance of such initiatives (e.g. chairing or sitting on advisory committees), supporting others in lead roles and making financial contributions.</p> |
| <p><b>Other resources</b></p>               | <p>For further guidance on monitoring the stewardship practices of external managers, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a>.</p> <p>Further information and resources on stewardship can be found on PRI's dedicated <a href="#">stewardship</a> webpage.</p> <p>For examples of stewardship initiatives, see PRI's dedicated webpage <a href="#">Collaborative engagement</a>.</p> <p>Country-specific guidance on the United Kingdom, South Africa and Germany is available on PRI's webpage <a href="#">Addressing system barriers</a>.</p>  |
| <p><b>Logic</b></p>                         |   |



|                            |   |  |
|----------------------------|---|--|
| <b>Dependent on</b>        | [OO 8], [OO 21]   |  |
| <b>Gateway to</b>          | N/A   |  |
| <b>Assessment</b>          |   |  |
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for 6 or more selections from A–J.</p> <p>66 points for 5 selections from A–J.</p> <p>33 points for 4 selections from A–J.</p> <p>0 points for 1–3 selections from A–J.</p> <p>0 points for K, L.</p> | <p>Further details:</p> <p>Selecting 'L' will result in 0/100 points for this indicator.</p> <p>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>'Other' scored as</b>   | Selecting Other (K) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.   |  |
| <b>Multiplier</b>          | Moderate  |  |

|                               |               |             |                                   |                              |                                  |
|-------------------------------|---------------|-------------|-----------------------------------|------------------------------|----------------------------------|
| Indicator ID<br><b>SAM 14</b> | Dependent on: | OO 9, OO 21 | Sub-section<br><b>Stewardship</b> | PRI Principle<br><b>1, 2</b> | Type of indicator<br><b>CORE</b> |
|                               | Gateway to:   | N/A         |                                   |                              |                                  |

For the majority of your AUM in each asset class where **(proxy) voting** is delegated to **external investment managers**, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the **service provider** acting on your behalf, **monitor** during the reporting year?

|  | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Hedge funds          |
|--|--------------------------|----------------------------|-----------------------------|--------------------------|
| (A) Any changes in their policy(ies) or guidelines on (proxy) voting   | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |
| (B) Whether their (proxy) voting decisions were consistent with their <b>stewardship</b> priorities as stated in their policy and with their voting policy, principles and/or guidelines | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |
| (C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to <b>systematic sustainability issues</b>                | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |
| (D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations   | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |
| (E) The application of their policy on <b>securities lending</b> and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)              | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |
| (F) Other<br>Specify: _____ [Mandatory free text: small]   | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/> |

|   |  |   |   |   |
|---|--|---|---|---|
| (G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year |  | O | O | O |
|---|--|---|---|---|

### Explanatory notes

|                                      |   |
|--------------------------------------|---|
| <b>Purpose of indicator</b>          | This indicator aims to assess the extent to which signatories monitored their external investment managers' (proxy) voting practices. Monitoring is key to assessing the (proxy) voting practices of external investment managers during the investment period. It is considered good practice for signatories to examine voting decisions and policy implementation fully and throughout the investment period to ensure that the terms of the appointment contract are fulfilled and that the voting decisions of the external investment manager are aligned with the signatory's interests.   |
| <b>Additional reporting guidance</b> | <p>Policy(ies) or guidelines on (proxy) voting outline how signatories approach voting decisions, including the influence of ESG factors and for which types of votes ESG is considered. It may be a standalone policy or guideline or incorporated into a broader responsible investment policy, policy on stewardship or similar.</p> <p>In this indicator, 'prioritising' systematic sustainability issues refers to (i) including these issues among the external investment manager's key stewardship objectives and (ii) formalising guidelines that give precedence to these issues over other considerations in case of a conflict of interest amongst various stewardship objectives.</p> <p>In answer option E, a 'policy on securities lending' may be a standalone policy or guideline or incorporated into a broader responsible investment policy, policy on stewardship or similar. A policy that covers security lending should include (at a minimum) an outline of the approach to security lending and whether or where shares are recalled for (proxy) voting. This answer option does not apply to signatories that do not have a securities lending programme; thus, signatories are not penalised for not having such a programme.</p> |
| <b>Other resources</b>               | <p>For further guidance on monitoring the stewardship practices of external managers, including voting, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a>.</p> <p>Further information and resources on stewardship can be found on PRI's dedicated <a href="#">stewardship</a> webpage.</p>   |

### Logic

|                     |                 |
|---------------------|-----------------|
| <b>Dependent on</b> | [OO 9], [OO 21] |
| <b>Gateway to</b>   | N/A             |

### Assessment

|                            |  |  |
|----------------------------|--|--|
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for 4 or more selections from A–E.<br/>         66 points for 3 selections from A–E.<br/>         33 points for 1–2 selections from A–E.<br/>         0 points for F, G.</p> | <p>Further details:</p> <p>Selecting 'G' will result in 0/100 points for this indicator.<br/>         The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
|----------------------------|--|--|

|                          |   |
|--------------------------|---|
| <b>'Other' scored as</b> | Selecting Other (F) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. |
| <b>Multiplier</b>        | Moderate  |

## ENGAGEMENT AND ESCALATION [SAM 15, SAM 16]

| Indicator ID  | Dependent on: | OO 14, OO 21 | Sub-section                      | PRI Principle | Type of indicator                    |
|---------------|---------------|--------------|----------------------------------|---------------|--------------------------------------|
|               | Gateway to:   | N/A          |                                  |               |                                      |
| <b>SAM 15</b> |               |              | <b>Engagement and escalation</b> | <b>4</b>      | <b>PLUS</b><br>VOLUNTARY TO DISCLOSE |

Describe how your organisation **engaged with external investment managers** to improve their responsible investment practices during the reporting year.

[Free text: medium]

### Explanatory notes

|                                      |   |
|--------------------------------------|---|
| <b>Purpose of indicator</b>          | This indicator provides signatories with the opportunity to elaborate on examples of any leading or innovative practices in engaging with external investment managers to improve the manager's responsible investment practices. |
| <b>Additional reporting guidance</b> | The answer should include the objective of your engagement, any escalation measures you adopted and any subsequent changes in your external investment manager's responsible investment approach.                                 |
| <b>Other resources</b>               | For further guidance on monitoring external managers, including verification, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a> .   |

### Logic

|                     |                  |
|---------------------|------------------|
| <b>Dependent on</b> | [OO 14], [OO 21] |
| <b>Gateway to</b>   | N/A              |

### Assessment

Not assessed

|                               |               |              |   |                           |                                  |
|-------------------------------|---------------|--------------|---|---------------------------|----------------------------------|
| Indicator ID<br><b>SAM 16</b> | Dependent on: | OO 14, OO 21 | Sub-section<br><b>Engagement and escalation</b> | PRI Principle<br><b>4</b> | Type of indicator<br><b>CORE</b> |
|                               | Gateway to:   | N/A          |   |                           |                                  |

What actions does your organisation, or the **service provider** acting on your behalf, include in its formal **escalation** process to address concerns raised during **monitoring** of your **external investment managers'** responsible investment practices?

|   | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) | (5) Private equity       | (6) Real estate          | (7) Infrastructure       | (8) Hedge funds          |
|---|--------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (A) <b>Engagement</b> with their investment professionals, investment committee or other representatives                              | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Notification about their placement on a watch list or relationship coming under review  | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Reduction of capital allocation to the external investment managers until any concerns have been rectified                        | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (F) Other<br>Specify: ____ [Mandatory free text: small]   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) Our organisation does not have a formal escalation process to address concerns raised during monitoring   |                          | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |

| Explanatory notes                    |   |
|--------------------------------------|---|
| <b>Purpose of indicator</b>          | This indicator aims to assess the steps involved in signatories' formal escalation processes for cases in which external investment managers fail to meet their commitments. As a result of their monitoring processes, signatories may identify areas for improvement and engage their external investment managers. In the event that this step does not rectify the issue, it is considered good practice for signatories to have a robust escalation process in place. This process should ideally be reflected in the contractual agreement by which external investment managers are appointed. |
| <b>Additional reporting guidance</b> | In this indicator, a 'formal' escalation process refers to an agreed-upon structure and process for escalation, including any oversight and responsibility to carry out said process.   |
| <b>Other resources</b>               | For further guidance on monitoring external managers, including action points and escalation, see <a href="#">Asset owner technical guide - investment manager monitoring guide</a> .   |
| Logic                                |   |
| <b>Dependent on</b>                  | [OO 14], [OO 21]  |
| <b>Gateway to</b>                    | N/A   |
| Assessment                           |   |
| <b>Assessment criteria</b>           | 100 points for this indicator. <span style="float: right;">Further details:</span>  |

|                          |   |  |
|--------------------------|---|--|
|                          | <p>100 points for 3 or more selections from A–E.<br/> 66 points for 2 selections from A–E.<br/> 33 points for 1 selection from A–E.<br/> 0 points for F, G.</p> | <p>Selecting 'G' will result in 0/100 points for this indicator.</p> <p>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>'Other' scored as</b> | Selecting Other (F) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.                       |  |
| <b>Multiplier</b>        | Moderate  |  |



## VERIFICATION [SAM 17]

|                               |               |              |                                    |                           |                                  |
|-------------------------------|---------------|--------------|------------------------------------|---------------------------|----------------------------------|
| Indicator ID<br><b>SAM 17</b> | Dependent on: | OO 14, OO 21 | Sub-section<br><b>Verification</b> | PRI Principle<br><b>1</b> | Type of indicator<br><b>CORE</b> |
|                               | Gateway to:   | N/A          |                                    |                           |                                  |

For the majority of your **externally managed** AUM in each asset class, how did your organisation, or the **service provider** acting on your behalf, verify that the information reported by **external investment managers** on their responsible investment practices was correct during the reporting year?

*Checking might include reviewing documentation related to verification or auditing.*

|  | All assets               | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) | (5) Private equity       | (6) Real estate          | (7) Infrastructure       | (8) Hedge funds          |
|--|--------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (A) We checked that the information reported was verified through a <b>third-party assurance</b> process | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) We checked that the information reported was verified by an independent third party                  | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) We checked for evidence of internal monitoring or compliance   | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) Other<br>Specify: _____ [Mandatory free text: small]   | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>    | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) We did not verify the information reported by external   |                          | <input type="radio"/>      | <input type="radio"/>       | <input type="radio"/>     | <input type="radio"/>      | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |

|   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| investment managers on their responsible investment practices during the reporting year |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|

### Explanatory notes

|                                      |  |
|--------------------------------------|--|
| <b>Purpose of indicator</b>          | <p>This indicator aims to understand the extent to which signatories verify the accuracy of the ESG information provided by their external investment managers.</p> <p>Where possible, it is considered good practice for signatories to verify the ESG information provided by external investment managers, which may involve internal monitoring (including internal control systems, internally audited where applicable) or external third-party assurance.</p> |
| <b>Additional reporting guidance</b> | For the purpose of this indicator, an 'independent third-party' might include (but is not limited to) an ESG advisory board or committee or external experts.  |
| <b>Other resources</b>               | For further guidance on monitoring external investment managers, including reporting and its frequency, see <a href="#">Asset owner technical guide – investment manager monitoring guide</a> .  |

### Logic

|                     |                  |
|---------------------|------------------|
| <b>Dependent on</b> | [OO 14], [OO 21] |
| <b>Gateway to</b>   | N/A              |

### Assessment

|                            |   |  |
|----------------------------|---|--|
| <b>Assessment criteria</b> | <p>100 points for this indicator.</p> <p>100 points for 3 or more selections from A–D; <b>MUST</b> include both A and B.</p> <p>80 points for 2 or more selections from A–D; <b>MUST</b> include 2 selections from A–C.</p> <p>60 points for 1–2 selections from A–D; <b>MUST</b> include A (<b>OR</b> both B and C).</p> <p>40 points for 1–2 selections from B–D; <b>MUST</b> include B.</p> <p>20 points for 1–2 selections from C–D; <b>MUST</b> include C.</p> <p>0 points for D, E.</p> | <p>Further details:</p> <p>Selecting 'E' will result in 0/100 points for this indicator.</p> <p>The assessment will be based on the highest-scoring combination.</p> <p>The number of asset classes applicable will not affect the points available for this indicator, as each asset class will receive a separate score.</p> |
| <b>'Other' scored as</b>   | Selecting Other (D) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.   |  |
| <b>Multiplier</b>          | Low   |  |