

PRI REPORTING FRAMEWORK 2016

Indirect — Manager Selection, Appointment and Monitoring

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# Understanding this document

In addition to the detailed indicator text and selection options, in each module of the PRI Reporting Framework, you can find information that will help you identify which indicators are relevant for your organisation.

**Top bar**

Key information about each indicator is highlighted in the top bar, including the indicator status (mandatory or voluntary), the purpose of the indicator, and which PRI Principle it relates to.

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|  | Indicator status | Purpose | Principle |
| xxx 01 | MANDATORY | CORE ASSESSED | PRI 2 |

**Indicator status**

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| MANDATORY | Mandatory indicators reflect core practices. These responses will be made public and must be completed to submit the framework. |
| MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | Some indicators are mandatory to complete but voluntary to disclose. These indicators may determine which subsequent indicators are applicable or are used for peering, but may also contain commercially sensitive information. |
| VOLUNTARY | Voluntary indicators reflect alternative or advanced practices. These indicators are voluntary to report and disclose. |

**Purpose**

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| Gateway |  | The responses to this indicator ‘unlock’ other indicators within a module if they are relevant for your organisation. Please refer to the logic box for more information. |
| Peering |  | These indicators are used to determine your peer groups for assessment purposes. |
| Core assessed |  | These indicators form the core of the assessment and represent the majority of your final assessment score. |
| Additional assessed |  | These indicators represent more advanced or alternative practices and account for a smaller part of your score. |
| Descriptive |  | These are open-ended narrative indicators, allowing you to describe your activities. |

**Underneath the indicator**

Underneath the indicator, you can find explanatory notes and definitions with important information on interpreting and completing the indicators. Read the logic box to make sure an indicator is applicable to you.

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| xxx 01 | **EXPLANATORY NOTES** |
| **xxx 01.1** | This provides guidance on how to interpret the sub-indicators, including examples of what could be reported. |
| **xxx 01.2** |
| **LOGIC** | |
| **xxx 01** | This explains when this indicator is applicable and/or if it has an impact on subsequent indicators. If there is no logic box, the indicator is always applicable and does not affect other indicators. |
| **ASSESSMENT** | |
| **xxx 01** | This provides a brief overview of the pilot assessment approach for this indicator. |
|  |  |
| xxx 01 | **DEFINITIONS** |
| **xxx 01** | Definitions of specific terms that are used in the indicator are defined here. |

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# Pathways through the module

**SAM 01:** Role of investment consultants/fiduciary managers

**SAM 02:** RI factors in selection, appointment and monitoring across asset classes

**SAM 12:** Percentage of externally managed assets managed by PRI signatories

**SAM 13:** Examples of ESG factors in selection, appointment and monitoring processes

**SAM 14:** Disclosure of RI considerations

**SAM End**: Module confirmation page

ESG in selection, appointment or monitoring of other asset classes not covered above

**SAM 08:** Percentage of (proxy) votes cast

**SAM 04**: ESG incorporation strategies

**SAM 03:** Breakdown of passive, active quant and active fundamental

**SAM 05:** Selection processes (listed equity/fixed income)

If ESG factors in selection process

**SAM 06:** Appointment considerations (listed equity/fixed income)

If ESG factors in appointment process

**SAM 07:** Monitoring processes (listed equity/fixed income)

If ESG factors in monitoring process

External managers vote, and % of votes cast are reviewed by you.

External managers do not vote, or % of votes cast are not reviewed.

ESG in selection, appointment or monitoring of Listed Equity/Fixed Income

ESG in selection, appointment or monitoring of non-listed assets (Private Equity, Property or Infrastructure)

**SAM 11:** Monitoring processes (non-listed assets)

If ESG factors in monitoring process

**SAM 09:** Selection processes (non-listed assets)

If ESG factors in selection process

**SAM 10:** Appointment considerations (non-listed assets)

If ESG factors in appointment process

# Preface

This module is designed for investors who outsource some or all of their investment activities to external investment managers. Pension funds, insurance companies, sovereign wealth funds, foundations and endowments are frequently indirect investors, although they may also have direct investments. Investment managers may also outsource some of their investment activities (e.g., in multimanager or fund-of-fund structures) and those assets should be reported in this module.

Investors who have externally managed listed equities but engage and/or vote in-house or who instruct specialist service providers to vote and/or engage on their behalf should report these active ownership activities within the 'Listed Equity Active Ownership (LEA)'module. Indicators on engagement and (proxy) voting in this module will only be displayed in the online tool if you indicate that your external managers perform these functions (SAM 05).

Investors who hire asset consultants (and/or fiduciary managers) to support them in selecting, appointing and monitoring external managers will also be able to report their own or their asset consultant’s responsible investment activities here. For signatories using asset consultants, the following [data collection form](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RA_indirectdatacollection.docx) is available to simplify their reporting.

This module focuses primarily on the broad processes in place for selecting, appointing and monitoring external managers. It has three specific pathways:

* one for equity and debt asset classes for which there is a direct module in the Reporting Framework, i.e., listed equities (LE), fixed income SSA, corporate (financial), corporate (non-financial) and fixed income securitised);
* one for non-listed asset classes, for which there is a direct module in the Reporting Framework, i.e., private equity (PE), property (PR) and infrastructure (INF); and
* one for the remaining assets not currently captured by other direct modules.

Some indicators and reporting options are broken down by asset class, e.g., indicator SAM 06 by listed equity, fixed income SSA, corporate (financial), corporate (non-financial) fixed income and fixed income securitised. In these cases, you will be able to choose to report separately by each individual asset class and explain any specific implementation differences between asset classes in open-ended indicators.

*\*Note 1: While retail banks and fund-of-fund investors may also be classed as indirect investors, their characteristics differ in some areas from the organisations covered in this module. A separate module for these investors may be developed by the PRI in the future. Until then, these investors should report using this module and use the open-ended indicators to explain how they implement responsible investment.*

*\*Note 2: Inclusive Finance. There is a separate module for indirect investors in Inclusive Finance (IFI). This module is mandatory to report for signatories to the Principles for Investors in Inclusive Finance (PIIF) and voluntary for all other investors holding inclusive finance assets.*

**Summary of updates**

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| Indicator | Update |
| SAM 01 | This has been renumbered from SAM 02. This indicator has been restructured to collect information on the monitoring of fiduciary managers. The new FI categories have been added. |
| SAM 02 | This has been renumbered from SAM 03. New FI categories have been added, and the asset classes for which a dedicated pathway is not available have been deleted. |
| SAM 03 | This has been renumbered from SAM 04. The new FI categories have been added. The breakdown of passive and active strategies is amended to capture percentage breakdown instead of ranges. |
| SAM 04 | This has been renumbered from SAM 05. The new FI categories have been added. SAM 04.2 and SAM 04.3 have been deleted. |
| SAM 05 | This has been renumbered from SAM 06. The new FI categories have been added. Some selection options have been added. |
| SAM 06 | This has been renumbered from SAM 07. The new FI categories have been added. Some selection options have been added. |
| SAM 07 | This has been renumbered from SAM 08. The new FI categories have been added. Some selection options have been added. |
| SAM 08 | This has been renumbered from SAM 09. |
| SAM 09 | This has been renumbered from SAM 10. New selection options have been added. SAM 09.2 is a new sub-indicator. |
| SAM 10 | This has been renumbered from SAM 11. New selection options have been added. |
| SAM 11 | This has been renumbered from SAM 12. New selection options have been added. |
| SAM 12 | This has been renumbered from SAM 14. |
| SAM 13 | This has been renumbered from SAM 15. |
| SAM 14 | This has been renumbered from SAM 16. |
| Prefilling | Prefilling is enabled for this module, with the following exceptions:   * SAM 02 will not prefill because new FI categories have been added; * SAM 03 will not prefill because new FI categories have been added. The breakdown of passive and active strategies has been amended to capture percentage breakdown instead of ranges; * SAM 04 will not prefill because new FI categories have been added; * SAM 05 will not prefill because new FI categories have been added. New selection options have been added; * SAM 06 will not prefill because new FI categories have been added. New selection options have been added; * SAM 07 will not prefill because new FI categories have been added. New selection options have been added; * SAM 08 will not prefill because it is specific to the reporting year; * SAM 09.2 will not prefill because it is a new sub-indicator; and * SAM 13 will not prefill because it is specific to the reporting year. |

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|  | Indicator status | Purpose | Principle |
| SAM 01 | MANDATORY | CORE ASSESSED | PRI 4 |

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| SAM 01 | INDICATOR | | | | | | | | | |
| **SAM 01.1** | Indicate whether your organisation uses investment consultants and/or fiduciary managers. | | | | | | | | | |
|  | ❑ Yes, we use investment consultants.  ❑ Yes, we use a fiduciary manager.  🔾 Our fiduciary manager manages all our assets directly.  🔾 Our fiduciary manager delegates management of some or all of our assets to third-party managers.  ❑ No. | | | | | | | | | |
| **SAM 01.2** | Indicate whether your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers. | | | | | | | | | |
|  |  | **Listed equity (LE)** | **Fixed income — SSA** | **Fixed income —corporate (financial)** | **Fixed income —corporate (non-financial)** | **Fixed income—securitised** | **Private equity**  **(PE)** | **Infra-structure**  **(INF)** | **Property**  **(PR)** | **Other asset classes** |
| ❑ We use investment consultants in our selection and appointment of external managers. | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| ❑ We use investment consultants in our monitoring of external managers. | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| **SAM 01.3** | Indicate whether your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants. | | | | | | | | | |
|  | ❑ Responsible investment is incorporated into the selection process for investment consultants.  ❑ Consultants’ responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them.  ❑ Responsible investment is considered when reviewing investment consultants’ advice on manager selection and performance monitoring.  ❑ We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants. | | | | | | | | | |
| **SAM 01.4** | Indicate whether your organisation considers responsible investment in the monitoring processes for fiduciary managers. | | | | | | | | | |
| 🔾 Responsible investment is considered when monitoring our fiduciary manager.  🔾 We do not consider responsible investment in the monitoring processes for fiduciary managers.. | | | | | | | | | |
| **SAM 01.5** | Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers. | | | | | | | | | |
|  | ❑ Include responsible investment as a standard agenda item at performance review meetings  ❑ Discuss whether the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG factors  ❑ Discuss whether the manager has acted in accordance with your organisation’s overall strategy on responsible investment and ESG factors  ❑ Discuss whether the manager has acted in accordance with your organisation’s overall policy on responsible investment and ESG factors  ❑ Review the manager’s PRI Transparency or Assessment reports  ❑ Review the manager’s responsible investment reporting (excluding PRI generated reports)  ❑ Review ESG characteristics of the portfolio  ❑ Review the impact of ESG factors on financial performance  ❑ Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors  ❑ Include responsible investment criteria as a formal component of overall manager performance evaluation  ❑ Other general aspects of your monitoring; specify\_\_\_\_\_\_\_ | | | | | | | | | |
| **SAM 01.6** | Describe the approach you take to monitoring your fiduciary managers and why a particular approach has been chosen.  [OPTIONAL] | | | | | | | | | |
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| **SAM 01.7** | Additional information.  [Optional] | | | | | | | | | |
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| SAM 01 | **EXPLANATORY NOTES** |
| **SAM 01** | Investment consultants and fiduciary managers can play an important role in manager selection, appointment and monitoring. They can therefore make a significant contribution to the promotion and development of responsible investment. This indicator allows you to explain if and how your organisation works with investment consultants and fiduciary managers. The sub-indicators will capture how and to what extent you consider their responsible investment capabilities in your selection, appointment and monitoring processes.  **The remainder of this module covers what you and/or your consultant(s) and/or fiduciary managers are doing in relation to ESG factors in the selection, appointment and monitoring of investment managers. To support you in reporting to this module, the PRI has developed a tool to help you collect information from your consultant(s) and fiduciary manager:** [**link**](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RA_indirectdatacollection.docx)**.** |
| **SAM 01.1** | This sub-indicator aims to capture whether you use asset consultants or fiduciary managers in the selection and monitoring of external managers. It also aims to understand for which asset class you work with these asset consultants. This sub-indicator, however, does not cover whether you use asset consultants to implement your responsible investments. This is captured in sub-indicator SAM 01.2. |
| **SAM 01.2** | If you select any of the indicator’s options, part of your responsible investment implementation is occurring through your investment consultant(s).  The option ‘Other asset classes’ includes Farmland, Forestry, Hedge funds, Cash and/or Other. It will be applicable if you report assets (externally) in any of these categories in the Organisational Overview (OO) module. |
| **SAM 01.3** | This may include a discussion of:   * whether and how your appointment process for consultants differs between listed and non-listed assets; * whether you examine consultants’ track records in the consideration of ESG factors in manager selection, appointment and/or monitoring; * ESG capabilities/literacy of the board and/or direct service provider; and/or * examples of responsible investment related services that your consultant has provided. |
| **SAM 01.4** | This sub-indicator aims to capture whether responsible investment is considered in monitoring your fiduciary managers. |
| **SAM 01.5** | This sub-indicator aims to capture how your organisation considers responsible investment in the monitoring of fiduciary managers. |
| **SAM 01.6** | This may include a more detailed description of the fiduciary managers’ monitoring processes or a description of why you do not monitor your fiduciary managers. |
| **LOGIC** | |
| **SAM 01** | [01.2] and [01.3] will be applicable if you report ‘Yes, investment consultants’ to [01.1].  [01.4] will be applicable if you report ‘Yes, fiduciary managers’ to [01.1]. [01.5], and [01.6] will be applicable if you report ‘Responsible investment is considered when monitoring fiduciary managers' performance] to [01.4]  Within [01.2], some or all of the asset classes will be applicable, depending on the information reported in the 'Organisational Overview' (OO) module. |
| **ASSESSMENT** | |
| **SAM 01** | Maximum score: Three ★ per asset class.  The assessment of this indicator is based on your responses to [01.3] and/or [01.5].  Organisations that do not use investment consultants or fiduciary managers will not be assessed on this indicator. |

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| SAM 01 | **DEFINITIONS** |
| Fiduciary Manager | Fiduciary management refers to a combination of advisory and implementation services provided to a pension fund. The fiduciary manager is typically accountable to the trustees for the performance of the fund, while the trustees retain governance oversight. A range of functions may be delegated, but for this framework, we define fiduciary management as cases in which a fiduciary manager has responsibility for determining the allocation to different asset classes and day-to-day running of the fund, including hiring and firing investment managers. |

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|  | Indicator status | Purpose | Principle |
| SAM 02 | MANDATORY | GATEWAY | GENERAL |

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| SAM 02 | INDICATOR | | | |
| **SAM 02.1** | Indicate for which of the following externally managed asset classes your organisation and/or your investment consultants consider responsible investment factors in investment manager:  (a) selection;  (b) appointment (investment management agreements/contracts); and  (c) monitoring. | | | |
|  | **Asset classes** | **(a) Selection** | **(b) Appointment** | **(c) Monitoring** |
| Listed equity | ❑ | ❑ | ❑ |
| Fixed income — SSA | ❑ | ❑ | ❑ |
| Fixed income —corporate (financial) | ❑ | ❑ | ❑ |
| Fixed income —corporate (non-financial) | ❑ | ❑ | ❑ |
| Fixed income —securitised | ❑ | ❑ | ❑ |
| Private equity | ❑ | ❑ | ❑ |
| Property | ❑ | ❑ | ❑ |
| Infrastructure | ❑ | ❑ | ❑ |
| **SAM 02.2** | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes. | | | |
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| **SAM 02.3** | Additional information.  [Optional] | | | |
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| SAM 02 | **EXPLANATORY NOTES** |
| **SAM 02** | From here on, the phrasing ‘investment consultants’ will refer to both investment consultants and fiduciary managers. |
| **SAM 02.2** | This can include a discussion of:   * the actions you take to ensure that your responsible investment policy (with coverage of approach to ESG incorporation and/or active ownership) is applied by investment managers; * whether your organisation has a formal scoring system for assessing managers’ responsible investment capabilities during the selection process and for evaluating their performance during ongoing monitoring; * any variations in implementation (e.g., between segregated and pooled funds, between asset classes, or between existing and new investment managers); and/or * who is responsible for these activities, specifically whether these activities are carried out by internal staff or whether you use external advisers (e.g., investment consultants, other specialist providers) to help you.   *Notes for passive funds*  Signatories who use external passive managers can describe here how they assess the manager’s engagement capabilities and performance during manager selection, appointment and monitoring.  *Notes for investment managers investing in funds-of-funds*  Investment managers may include a discussion of whether your approach to selection, appointment and monitoring varies according to the instructions of individual clients. |
| **SAM 02.1** | Please select all that apply. |

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| **LOGIC** | |
| **SAM 02** | Within this indicator, some or all of the asset classes will be applicable, depending on the information reported in the "Organisational Overview" (OO) module.  This is a gateway indicator, so your answer here determines which indicators you are required to report on in subsequent sections of this module and also which parts of those indicators will be relevant for you.  This module includes indicators specific to selecting, appointing or monitoring managers for:   * Listed Equity, Fixed Income—SSA, Fixed income corporate (financial), Fixed income corporate (non-financial) and/or Fixed Income—Securitised ([03-08]); and * Private Equity, Property and/or Infrastructure ([09-11]).   Within these sections, you will only be required to report on activities and asset classes that are relevant, based on your response to [02.1]. For example, if you consider responsible investment factors when selecting and appointing for a Listed Equity manager, but not during monitoring, you will only need to report on selection and appointment indicators for Listed Equity. |

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| SECTION |
| Listed equity (LE) and Fixed income (FI) |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | OVERVIEW |  |  |

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|  | Indicator status | Purpose | Principle |
| SAM 03 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY | GENERAL |

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| SAM 03 | INDICATOR | | | | | | |
| **SAM 03.1** | Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and active fundamental strategies. | | | | | | |
|  |  | **Listed equity (LE)** | **Fixed income —SSA** | **Fixed income —Corporate (financial)** | **Fixed income —Corporate (non-financial)** | | **Fixed income —Securitised** |
|  |  | **As % of externally managed listed equity/fixed income** | | | | | |
|  |
|  | Passive | % | % | % | % | % | |
|  | Active—quantitative (quant) | % | % | % | % | % | |
|  | Active—fundamental and other active | % | % | % | % | % | |
|  | **Total externally managed listed equities/fixed income** | **100%** | **100%** | **100%** | **100%** | **100%** | |
| **SAM 03.2** | Additional information  [Optional] | | | | | | |
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| SAM 03 | **EXPLANATORY NOTES** |
| **SAM 03.1** | Your organisation’s breakdown of passive, active quant and active fundamental by listed equities, fixed income SSA, corporate (financial), corporate (non-financial) and fixed income securitised will be used to trigger subsequent indicators on the ESG incorporation strategies used by your managers.  Reported data will also be used in the assessment process to compare your organisation against those with a similar breakdown. |
| **LOGIC** | |
| SAM 03 | This indicator determines which parts of indicator [04] are applicable.  For example, if you report using passive investment strategies in relation to Listed Equity in [03], you will only see the part of [04.1] that is relevant to passive investment strategies for Listed Equity. |

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| SAM 03 | **DEFINITIONS** |
| ***Actively and passively managed strategies*** | |
| **Passive strategies** | Passive investments are investments that mirror the performance of an index and follow a pre-determined buy and hold strategy that does not involve active forecasting. Examples include investments in broad capital market indices, ESG weighted indices, themed indices, passive managed ETFs or indices with ESG-based exclusions. |
| **Active—quantitative (quant) strategies** | Investment strategies or funds in which the manager builds computer-based models to determine whether an investment is attractive. In a pure 'quant model', the final decision to buy or sell is made by the model. |
| **Active—fundamental** | Fundamental strategies in which investment decisions are based on human judgement. This includes both bottom-up (e.g., stock-picking) and top-down (e.g., sector-based) strategies. |

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|  | Indicator status | Purpose | Principle |
| SAM 04 | MANDATORY | GATEWAY | PRI 1.2 |

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| SAM 04 | INDICATOR | | | | | | |
| **SAM 04.1** | Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf: | | | | | | |
|  |  | **All assets** | **LE** | **Fixed income —SSA** | **Fixed income —Corporate (financial)** | **Fixed income —Corporate (non-financial)** | **Fixed income —Securitised** |
| ***Active investment strategies*** | | | | | | |
| Screening | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Thematic | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Integration | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| ***Passive investment strategies*** | | | | | | |
| Screening | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Thematic | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| Integration | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ | ❑ | ❑ |
| **SAM 04.2** | Additional information  [Optional] | | | | | | |
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| SAM 04 | **EXPLANATORY NOTES** |
| **SAM 04.1** | Not all signatories require their external managers to incorporate ESG factors across all areas and all assets. For listed equities and/or fixed income, signatories may choose not to address ESG factors because of the characteristics of a specific investment strategy.  Moreover, both in active and passive strategies, ESG incorporation may be done by one or more strategies. These are explained clearly in the definition section, and you can express here which, if any, you request your manager implements on your behalf. |
| **SAM 04.2** | The reported information of this indicator is expected to highlight what you typically require your managers to implement on your behalf. If there are differences across what you ask your external managers to implement, report it here. Moreover, if your integration, engagements or (proxy) voting activities cover only a portion of your portfolio or part of the markets you invest in, please describe it here. |
| **LOGIC** | |
| **SAM 04** | The subsequent indicators in this section are divided into four areas of responsible investment implementation: ESG incorporation, engagement, voting and general practices applicable to most signatories. Your response to this indicator determines which parts of subsequent indicators are applicable, with the exception of ‘General’, which is always applicable.   * General (relevant to LE, FI SSA, FI Corporate (financial), FI Corporate (non-financial) and FI Securitised) * ESG incorporation (relevant to LE, FI SSA, FI Corporate (financial), FI Corporate (non-financial) and FI Securitised). The ESG incorporation part of subsequent indicators is driven by your response to [04.1]. * Engagement (relevant only to LE, FI SSA, FI Corporate (financial), FI Corporate (non-financial) and FI Securitised). The engagement part of subsequent indicators is driven by your response to [04.2]. * (Proxy) voting (relevant only to LE). The (proxy) voting part of subsequent indicators is driven by your response to [04.3].   Only the areas of responsible investment implementation, by listed asset class, selected in this indicator will be applicable in subsequent ones. For example, if you do not require your external managers to cast (proxy) votes on your behalf and you do not cast them directly, the (proxy) voting section of the subsequent indicators will not be applicable. |

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| SAM 04 | **DEFINITIONS** |
| **ESG incorporation** | |
| Incorporation of ESG factors into investment analysis and decision-making processes is covered in Principle 1 of the PRI. Throughout the Reporting Framework, we refer to ESG incorporation as the review and use of ESG information in the investment decision-making process.  The Reporting Framework addresses four ways in which ESG incorporation can be done:   1. screening; 2. sustainability themed investment (also called environmentally and socially themed investment); 3. integration; and/or 4. a combination of the above.   Assets subject to an engagement approach only and not subject to any of the above strategies should not be included in ESG incorporation.  To improve standardisation and communication in the responsible investment industry, the PRI has aligned its definitions with those of the [Global Sustainable Investment Alliance](http://www.gsi-alliance.org/). These are presented below for convenience. | |
| Screening of investments | The definitions of the three types of screening in the Reporting Framework are:   1. negative/exclusionary screening: The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria; 2. positive/best-in-class screening: Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers; and/or 3. norms-based screening: Screening of investments against minimum standards of business practice based on international norms. Norms-based screening involves either: 4. defining the investment universe based on investees’ performance on international norms related to responsible investment/ESG factors; or 5. excluding investees from portfolios after investment if they are found following research, and sometimes engagement, to contravene these norms. Such norms include but are not limited to the UN Global Compact Principles, the Universal Declaration of Human Rights, International Labour Organization standards, the United Nations Convention Against Corruption and the OECD Guidelines for Multinational Enterprises. |
| Thematic/ sustainability themed investing | Investment in themes or assets specifically related to sustainability (for example, clean energy, green technology or sustainable agriculture). |
| Integration of ESG factors | The systematic and explicit inclusion by investment managers of environmental, social and governance factors into traditional financial analysis. |
| For further detail on these definitions, please see separate [Main Definitions](http://2xjmlj8428u1a2k5o34l1m71.wpengine.netdna-cdn.com/wp-content/uploads/Main-Definitions-to-PRI-Reporting-Framework-2016-updated.pdf) document. | |
| Investment decision-making processes  For the purposes of the Reporting Framework, investment decision-making processes refers to research, analysis and other processes that lead to a decision to make or retain an investment ( i.e., to buy, sell or hold a security) or to commit capital to an unlisted fund or other asset.  (Proxy) voting decisions and engagement activities are not classified as investment decisions for the purposes of the Reporting Framework. These decisions fall under Principle 2 of the PRI, relating to active ownership, and within the Listed Equity—Active Ownership (LEA) module of the Framework. | |

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|  | Indicator status | Purpose | Principle |
| SAM 05 | MANDATORY | CORE ASSESSED | PRI 1 — 6 |

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| SAM 05 | INDICATOR | | | | | | | | | |
| **SAM 05.1** | Indicate whether your organisation and/or your investment consultant typically do any of the following in the manager selection process for listed equity and/or fixed income. | | | | | | | | | |
|  |  | **All assets** | **LE** | **Fixed income —SSA** | | **Fixed income — Corp. (financial)** | **Fixed income — Corp. (non-financial)** | **Fixed income — Securitised** | |
| ***General*** | | | | | | | | | |
| Review the manager’s responsible investment policies | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ |
| Discuss managers’ governance and management of responsible investment activities | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ |
| Meet staff with responsible investment responsibilities to assess their skills and competence | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Discuss minimum responsible investment expectations that managers must meet | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Discuss the role managers have played in collaborative initiatives | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Review the manager’s responsible investment reporting to clients and/or the public (excluding PRI) | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Review the manager’s PRI Transparency or Assessment reports | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Discuss the type of ESG reporting you expect | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Assign specific weighting to ESG factors in your manager evaluation | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| Other general aspects in your selection process;  specify\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | ❑ | | ❑ | |
| ***ESG incorporation*** | | | | | | | | | |
| Evaluate the quality and coverage of ESG research used by managers | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ |
| Assess how the manager incentivises brokers to provide ESG research | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Assess managers’ ESG incorporation strategies and ability to identify and manage ESG factors | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
|  | Discuss with managers how ESG factors have impacted specific investment decisions and, when relevant, stock or portfolio performance | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
|  | Evaluate index providers’ ESG incorporation when designing the index | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Other ESG incorporation factors in your selection process; specify\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| ***Engagements*** | | | | | | | | | |
| Discuss with the manager the historic interactions they have had with the investee entities | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Discuss the comprehensiveness of managers’ engagement processes | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Discuss the role managers have played in influencing investee entities’ ESG practices and performance | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Discuss the escalation strategies the manager deploys in case of insufficient ESG performance | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Discuss how information gained through engagement is incorporated into investment decision-making | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| Other engagement issues in your selection process; specify\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | | ❑ | ❑ | ❑ | | ❑ | |
| ***(Proxy) voting*** | | | | | | | | | |
| Discuss the managers’ voting processes | ❑ | ❑ | | n/a | n/a | n/a | | n/a | |
| Discuss how information gained through research for (proxy) voting is used in investment decision-making | ❑ | ❑ | | n/a | n/a | n/a | | n/a | |
| Discuss whether the manager can deploy the asset owner's proprietary voting policy or aligning its voting policy with the asset owner’s investment beliefs and strategy. | ❑ | ❑ | | n/a | n/a | n/a | | n/a | |
| Other (proxy) voting issues in your selection process;  specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | | n/a | n/a | n/a | | n/a | |
| None of the above | ❑ | ❑ | | n/a | n/a | n/a | | n/a | |
| **SAM 05.2** | Please describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes. | | | | | | | | | |
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| **SAM 05.3** | Provide additional information relevant to your organisation's selection approach for listed assets and/or fixed income.  [Optional] | | | | | | | | | |
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| SAM 05 | **EXPLANATORY NOTES** |
| **SAM 05** | This indicator seeks information about the typical processes in place and actions taken by your organisation during manager selection (even if managers have not been selected or reappointed during the reporting year). If these processes are implemented only in a minority of cases, do not report them here in the pre-selected options, but do describe these cases in the Additional Information field at the end of this indicator. |
| **SAM 05.1** | Here is some further guidance on some of the processes your selection may cover.  **ESG Incorporation**  For examples of how asset owner signatories are incorporating ESG considerations into their selection, appointment and monitoring of external managers, see [*Aligning Expectations: Guidance for asset owners on incorporating ESG factors into manager selection, appointment and monitoring*](http://www.unpri.org/wp-content/uploads/Aligning_Expectations_2013.pdf) by the PRI, February 2013.  **Disclosure**  Examples of managers’ responsible investment disclosure could include client reports, public RI reports, evidence of commitment to relevant responsible investment codes, principles or initiatives such as the UK, EU and South African Stewardship codes and the PRI (response to Reporting Framework). |
| **SAM 05.2** | This may include a discussion of, for example, any differences between mandates, strategies or markets. |

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| **LOGIC** | |
| **SAM 05** | The **General** part of this indicator will be applicable if you report ‘Selection’ for the relevant asset class in [02].  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [04.1] for one or more asset classes.  Within this part of the indicator, option ‘Assess how the manager incentivises brokers to provide ESG research’ is only applicable if you reported ‘Active—Fundamental or other active’ in [03]. Option ‘Evaluate index providers’ ESG incorporation when designing the index’ is only applicable if you reported ‘Passive’ in [03] and that you incorporate ESG factors for any applicable listed asset class in [04].  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [04.2] for Listed Equity and/or Fixed Income.  Within this part of the indicator, the option ‘Discuss how information gained through engagement is incorporated into investment decision-making’ is applicable if you reported ‘Active—Fundamental or other active’ in [03].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [04.3].  Within this part of the indicator, option ‘Discuss how information gained through research for (proxy) voting is used in investment-decision-making’ is applicable if you reported ‘Active—Fundamental or other active’ in [03] for Listed Equity. |
| **ASSESSMENT** | |
| **SAM 05** | Maximum score: 12★ for listed equity, 9★ SSA, corporate financial, corporate non-financial, securitised fixed income.  The assessment of this indicator is based on your responses to [05.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘ESG incorporation, Engagements and (proxy) voting’ sections (when applicable—see logic above) will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 06 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 4 |

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| SAM 06 | INDICATOR | | | | | | | | | | | | | |
| **SAM 06.1** | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed equity and/or fixed income. | | | | | | | | | | | | | |
|  |  | **All assets** | **LE** | **FI SSA** | **FI Corp. (fin)** | | | **FI Corp. (non-fin)** | | | **FI Sec.** | | |
| ***General*** | | | | | | | | | | | | | |
| Acting in accordance with your organisation’s overall investment beliefs on responsible investment and ESG factors | ❑ | ❑ | ❑ | | | ❑ | | | ❑ | | | ❑ |
| Acting in accordance with your organisation’s overall strategy on responsible investment and ESG factors | ❑ | ❑ | ❑ | | | ❑ | | | ❑ | | | ❑ |
| Acting in accordance with your organisation’s overall policy on responsible investment and ESG factors | ❑ | ❑ | ❑ | | | ❑ | | | ❑ | | | ❑ |
| Other general RI considerations in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | | ❑ | | | ❑ | | | ❑ | |
| ***ESG incorporation*** | | | | | | | | | | | | | |
| Specific requirements relating to the incorporation of ESG factors into investment decision-making | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| Other RI considerations relating to ESG incorporation in investment management agreements; specify\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| ***Engagement*** | | | | | | | | | | | | | |
| Specific requirements relating to engagement | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| Other RI considerations relating to engagement in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| ***(Proxy) voting*** | | | | | | | | | | | | | |
| Specific requirements relating to (proxy) voting | ❑ | n/a | n/a | | n/a | | | n/a | | | n/a | | |
| Other RI considerations relating to (proxy) voting in investment management agreements; specify\_\_\_\_\_\_ | ❑ | n/a | n/a | | n/a | | | n/a | | | n/a | | |
| ***Reporting*** | | | | | | | | | | | | | |
| Reporting on the agreed-upon responsible investment activities | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| Reporting on the ESG characteristics of the portfolio | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| Reporting on the impact of ESG factors on financial performance | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| Other RI considerations relating to reporting in investment management agreements; specify\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| None of the above | ❑ | ❑ | ❑ | | ❑ | | | ❑ | | | ❑ | | |
| **SAM 06.2** | Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed equity and/or fixed income. | | | | | | | | | | | | | |
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| SAM 06 | **EXPLANATORY NOTES** |
| **SAM 06.1** | See [*Aligning Expectations: Guidance for asset owners on incorporating ESG factors into manager selection, appointment and monitoring*](http://www.unpri.org/wp-content/uploads/Aligning_Expectations_2013.pdf) for further examples of how asset owner signatories are incorporating ESG considerations into their selection, appointment and monitoring of external managers. |
| **SAM 06.2** | This may include a discussion of, for example:   * whether your contract requirements relate to exclusion, norm-based screening or the financial implications of ESG factors; * whether you link investment management fees to ESG factors or have break/renegotiation clauses linked to ESG factors; * the percentage of contracts in which ESG factors are included; and/or * the challenges you have encountered in addressing ESG factors in contracts/investment mandates. |
| **LOGIC** | |
| **SAM 06** | This indicator will be applicable if you report ‘Appointment’ for the relevant asset class in [02]. The **General** and **Reporting** parts of this indicator will always be applicable.  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [04.1].  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [04.2].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [04.3]. |

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| **DEFINITIONS** | |
| **Investment beliefs** | Investment beliefs are a financial institution's key convictions about how financial markets work, taking human behaviour into consideration. This may include investment process beliefs, organisational beliefs and ESG beliefs. |
| **Investment strategy** | An investment strategy is a systematic plan that guides a financial institution's investment decisions. This may include [asset allocation](http://www.investopedia.com/terms/a/assetallocation.asp), buy and sell guidelines and risk guidelines such as ESG risks. |
| **Investment policy** | An investment policy is a document that formalises a financial institution's asset management objectives and guidelines. This may include objectives on the incorporation of ESG factors into investments. |

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| **ASSESSMENT** | |
| **SAM 06** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [06.1].  ‘Other; specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 07 | MANDATORY | CORE ASSESSED | PRI 1 |

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| SAM 07 | INDICATOR | | | | | | | | | |
| **SAM 07.1** | Indicate whether your organisation and/or your investment consultant in the dialogue and monitoring of your external manager typically do any of the following. | | | | | | | | | |
|  |  | **All assets** | **LE** | **FI SSA** | | **FI Corp. (fin)** | | **FI Corp. (non-fin)** | | **FI Sec.** |
| ***General*** | | | | | | | | | |
|  | Include responsible investment as a standard agenda item at performance review meetings | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Highlight examples of good responsible investment practice by other managers | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Discuss whether the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG factors | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Discuss whether the manager has acted in accordance with your organisation’s overall strategy on responsible investment and ESG factors | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Discuss whether the manager has acted in accordance with your organisation’s overall policy on responsible investment and ESG factors | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Review the manager’s responsible investment reporting (excluding PRI) | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Review the manager’s PRI Transparency or Assessment reports | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Review ESG characteristics of the portfolio | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Review the impact of ESG factors on financial performance | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| Other general aspects of your monitoring; specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | | ❑ | | ❑ | | ❑ |
| ***ESG incorporation*** | | | | | | | | | | |
|  | Request information on ESG incorporation in specific investment decisions | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Other ways you monitor ESG incorporation; specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| ***Engagements*** | | | | | | | | | | |
|  | Review the ESG information relevant to the engagements | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Discuss the number of engagements and their comprehensiveness | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Discuss the type of role played (i.e., leading or supporting) | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Discuss the outcomes and quantifiable impact of the engagements | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Review the progress of ongoing engagements and/or outcomes of completed engagements | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| Other ways you monitor engagement activities; specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ | | ❑ | | ❑ | |
| ***(Proxy) voting*** | | | | | | | | | | |
|  | Review the number or percentage of votes cast | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
| Request an explanation of reasons for votes cast | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
| Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
|  | Review the number of resolutions on ESG factors filed or co-filed | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
|  | Discuss the changes in company practice (outcomes) that have been achieved from voting activities | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
| Other ways you monitor (proxy) voting activities; specify\_\_\_\_\_\_\_ | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
| None of the above | ❑ | ❑ | n/a | n/a | | n/a | | n/a | |
| **SAM 07.2** | Provide additional information relevant to your organisation's dialogue and monitoring of external managers.  [Optional] | | | | | | | | | |
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| SAM 07 | | **EXPLANATORY NOTES** |
| **SAM 07** | | You may wish to comment on variations in the reporting provided by your managers and on the reasons for these variations (e.g., does it reflect their contractual obligations? Is it a function of asset class or the types of investment being made?).  *Reporting on ESG impacts on financial performance, risk/volatility or ESG performance*  These options aim to capture whether you require your external manager to measure impact, positive or negative, of incorporating ESG factors into investment decision-making. Use the ‘additional information’ field to provide further details such as the outcomes of these discussions if appropriate.  If you require your external managers to undertake carbon portfolio monitoring, you are strongly encouraged to report this using the ‘additional information’ field. |
| **DEFINITIONS** | | |
| **Investment beliefs** | | Investment beliefs are a financial institution's key convictions about how financial markets work, taking human behaviour into consideration. This may include investment process beliefs, organisational beliefs and ESG beliefs. |
| **Investment strategy** | | An investment strategy is a systematic plan that guides a financial institution's investment decisions. This may include [asset allocation](http://www.investopedia.com/terms/a/assetallocation.asp), buy and sell guidelines and risk guidelines, such as ESG risks. |
| **Investment policy** | | An investment policy is a document that formalises a financial institution's asset management objectives and guidelines. This may include objectives on the incorporation of ESG factors into investments. |
| **LOGIC** | | |
| **SAM 07** | This indicator will be applicable if you report ‘Monitoring’ for the relevant asset class in [02]. The **General** part of this indicator will always be applicable.  The **ESG incorporation** part of this indicator is applicable if you report that you require your external managers to implement ESG incorporation strategies on your behalf in [04.1].  The **Engagements** part of this indicator is applicable if you report that you require your external managers to engage on your behalf in [04.2].  The **(Proxy) voting** part of this indicator is only applicable if you report that your organisation requires external managers to cast (proxy) votes on your behalf in [04.3].  If you report ‘Review the number or percentage of votes cast’ in the (proxy) voting part of this indicator, [08] will be applicable. | |
| **ASSESSMENT** | | |
| **SAM 07** | Maximum score: 12★ for listed equity, 9★ SSA, corporate financial, corporate non-financial and securitised fixed income.  The assessment of this indicator is based on your responses to [07.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘ESG incorporation, Engagements and (proxy) voting’ sections (when applicable—see logic above) will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other, specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. | |

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|  | Indicator status | Purpose | Principle |
| SAM 08 | MANDATORY | CORE ASSESSED | PRI 2 |

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| SAM 08 | INDICATOR | |
| **SAM 08.1** | For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year. | |
|  | **Votes cast (to the nearest 5%)** | **Specify the basis on which this percentage is calculated.** |
| % | 🔾 Of the total number of ballot items on which they could have issued instructions  🔾 Of the total number of company meetings at which they could have voted  🔾 Of the total value of your listed equity holdings on which they could have voted |
| ❑ We do not collect this information. | |
| **SAM 08.2** | Additional information  [Optional] | |
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| SAM 08 | **EXPLANATORY NOTES** |
| **SAM 08.1** | When calculating the percentage of votes cast, please include only those holdings for which you have given external managers the mandate to vote. |
| **SAM 08.2** | *Variations in reporting*  You may wish to comment on variations in the reporting provided by your investment managers and on the reasons for these variations.  *Reasons why managers choose not to vote*  You may wish to comment on a variety of reasons why managers choose not to vote, including:   * strategic decision not to vote on certain types of assets or funds; * operational or timing constraints; * share-blocking; * conflicts of interest; * administrative impediments (e.g., power of attorney requirements); * voting fees; * geographical restrictions (non-home market); * insufficient information; and/or * overall cost effectiveness. |
| **LOGIC** | |
| **SAM 08** | This indicator will be applicable if you report ‘Review the number or percentage of votes cast’ in [07.1]. |
| **ASSESSMENT** | |
| **SAM 08** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [08.1]. |

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| SECTION |
| Private equity (PE), Property (PR), Infrastructure (INF) |

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|  | Indicator status | Purpose | Principle |
| SAM 09 | MANDATORY | CORE ASSESSED | PRI 1 — 6 |

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| SAM 09 | INDICATOR | | | | |
| **SAM 09.1** | In your manager selection process for the following assets, indicate whether your organisation and/or your investment consultant typically take any of the following actions. | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Use the PRI's LP DDQ during discussions with managers as part of your selection process | ❑ | ❑ | n/a | n/a |
| Review the manager’s/general partner’s responsible investment policy | ❑ | ❑ | ❑ | ❑ |
| Discuss the manager’s governance and management of responsible investment | ❑ | ❑ | ❑ | ❑ |
| Meet staff with responsible investment responsibilities to assess their skills and competence | ❑ | ❑ | ❑ | ❑ |
| Discuss minimum responsible investment expectations that managers must meet | ❑ | ❑ | ❑ | ❑ |
| Discuss the role managers have played in collaborative initiatives | ❑ | ❑ | ❑ | ❑ |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations | ❑ | ❑ | ❑ | ❑ |
| Assess the external manager’s reporting and how it will help you monitor that it is acting consistently with the agreed-upon ESG-related policies and practices during the life of the fund | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s responsible investment disclosure, excluding PRI reporting | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s PRI Transparency or Assessment reports | ❑ | ❑ | ❑ | ❑ |
| Assign specific weighting to ESG factors in your manager evaluation; specify \_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| Other general aspects in your selection process;  specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment | ❑ | ❑ | ❑ | ❑ |
| Other pre-investment aspects reviewed in your selection process; specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Understand if and how the manager influences and supports its portfolio companies’/assets’ management of ESG-related risks and pursuit of ESG-related opportunities | ❑ | ❑ | ❑ | ❑ |
| Discuss examples of how managers have previously identified and addressed ESG factors in their portfolios on an ongoing basis | ❑ | ❑ | ❑ | ❑ |
| Assess the manager’s/general partner’s approach to managing and disclosing material incidents at the manager/general partner and underlying holdings | ❑ | ❑ | ❑ | ❑ |
| Other post-investment aspects reviewed in your selection process; specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ |
| **SAM 09.2** | Provide additional information on how weighting of ESG factors in your manager evaluation are applied.  [Optional] | | | | |
|  | | | | |
| **SAM 09.3** | Provide additional information relevant to your organisation's selection approach for non-listed assets.  [Optional] | | | | |
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| SAM 09 | **EXPLANATORY NOTES** |
| **SAM 09** | This indicator seeks information about the typical processes in place and actions taken by your organisation in manager selection (even if managers have not been selected or reappointed during the reporting year). If these processes are implemented only in a minority of cases, do not report them here in the pre-selected options, but do describe these cases in the 'Additional Information' field at the end of this indicator.  The PRI has released the [*Limited Partners' Responsible Investment Due Diligence Questionnaire (LP RI DDQ)*](http://www.unpri.org/),which provides 'developed questioning' that should act as guidance for LPs how to develop their dialogue with GPs further.  This section (PE, PR, INF—non-listed assets) is broadly consistent and complementary to the [ESG Disclosure Framework](https://www.estoolkit.com/DisplayFile.aspx?fileGuid=698b74b6-7fb4-40e7-a886-8a9701b5cdb2) for private equity. The ESG Disclosure Framework helps General Partners (GPs) better understand why Limited Partners (LPs) want ESG-related information and helps rationalise the types of questions that LPs are asking GPs about ESG factors. Given the broad similarities in the manager selection processes for private equity, property and infrastructure, the Private Equity ESG Disclosure Framework is used here for all three unlisted asset classes. |
| **SAM 09.2** | This may include a discussion of:   * other aspects of your process; * whether you consider some of the above to be of greater or lesser importance (or relevant/not relevant); and/or * how your approach varies, if at all, between asset classes and geographies.   If appropriate, please also comment on whether you are willing to select a manager who does not currently meet all your ESG-related expectations but is committed to improvements after appointment. |
| **LOGIC** | |
| **SAM 09** | This indicator will be applicable if you report ‘selection’ for the relevant asset class(es) in [02]. |
| **ASSESSMENT** | |
| **SAM 09** | Maximum score: Nine ★ per asset class  The assessment of this indicator is based on your responses to [09.1]. The ‘general section’ is applicable to everyone and is worth 3★ as part of your ‘core’ assessment. The ‘investment selection’ and ‘investment monitoring’ sections will each be worth 3★ as part of your ‘additional’ assessed indicators.  ‘Other; specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | **APPOINTMENT** |

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|  | Indicator status | Purpose | Principle |
| SAM 10 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 4 |

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| SAM 10 | INDICATOR | | | | |
| **SAM 10.1** | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets: | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Acting in accordance with your organisation’s overall investment beliefs on responsible investment and ESG factors | ❑ | ❑ | ❑ | ❑ |
| Acting in accordance with your organisation’s overall strategy on responsible investment and ESG factors | ❑ | ❑ | ❑ | ❑ |
| Acting in accordance with your organisation’s overall policy on responsible investment and ESG factors | ❑ | ❑ | ❑ | ❑ |
| Other general RI considerations in your agreements, specify \_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Specific requirements relating to how ESG factors are identified and managed in investment decision-making | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to investment selection in your agreements, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Specific requirements relating to the manager supporting or influencing the underlying holdings’ management of ESG factors | ❑ | ❑ | ❑ | ❑ |
| Other RI considerations relating to investment monitoring in your agreements, specify \_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Reporting*** | | | | |
| Reporting on the agreed ESG implementation activities | ❑ | ❑ | ❑ | ❑ |
| Reporting on the ESG characteristics of the portfolio | ❑ | ❑ | ❑ | ❑ |
| Reporting on company incidents relating to ESG factors | ❑ | ❑ | ❑ | ❑ |
| Reporting on the impact of ESG factors on financial performance | ❑ | ❑ | ❑ | ❑ |
|  |  |  |  |  |
| Other RI considerations relating to reporting in your agreements, specify \_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| **SAM 10.2** | Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets. | | | | |
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| SAM 10 | **EXPLANATORY NOTES** |
| **SAM 10.1** | Agreement can for example refer to Limited Partnership Agreements (LPAs). |
| **SAM 10.2** | This may include a discussion of:   * Whether your contract requirements relate to specific ESG incorporation strategies (screening, integration, etc.) * Whether you link investment management fees to ESG factors or have break/renegotiation clauses linked to ESG factors * Where managers have substantial operational control over portfolio companies/assets your organisation expects them to operate in accordance with your ESG guidelines (or similar) * The percentage of contracts (overall or by asset class) where ESG actors are included, or * The challenges you have encountered in addressing ESG factors in contracts/investment mandates. |
| **LOGIC** | |
| **SAM 10** | This indicator will be applicable if you report ‘Appointment’ for the relevant asset class(es) in [02]. |
| **ASSESSMENT** | |
| **SAM 10** | Maximum score: Three ★ per asset class  The assessment of this indicator is based on your responses to [10.1].  ‘Other; specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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|  | Indicator status | Purpose | Principle |
| SAM 11 | MANDATORY | CORE ASSESSED | PRI 1 — 6 |

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| SAM 11 | INDICATOR | | | | |
| **SAM 11.1** | Indicate whether your organisation and/or your investment consultant in the dialogue and monitoring of your external manager typically do any of the following. | | | | |
|  |  | **All assets** | **PE** | **PR** | **INF** |
| ***General*** | | | | |
| Include responsible investment as a standard agenda item at performance review meetings | ❑ | ❑ | ❑ | ❑ |
| Highlight examples of good responsible investment practice by other managers | ❑ | ❑ | ❑ | ❑ |
| Review manager’s responsible investment reporting (excluding PRI) | ❑ | ❑ | ❑ | ❑ |
| Review the manager’s PRI Transparency or Assessment reports | ❑ | ❑ | ❑ | ❑ |
| Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors | ❑ | ❑ | ❑ | ❑ |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | ❑ | ❑ | ❑ | ❑ |
| Request information about whether your manager’s approach to ESG factors has impacted financial performance | ❑ | ❑ | ❑ | ❑ |
| Request information about whether your manager’s approach to ESG factors has impacted ESG performance | ❑ | ❑ | ❑ | ❑ |
| Other general aspects of your monitoring, specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment selection (pre-investment) of underlying holding*** | | | | |
| Discuss how the analysis of ESG factors affected investment decisions during the reporting period | ❑ | ❑ | ❑ | ❑ |
| Other ways ESG factors are incorporated in the pre-investment process; specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| ***Investment monitoring (post-investment) of underlying holding*** | | | | |
| Request reports on the ESG characteristics of the manager’s underlying holdings and discuss related developments that may impact holdings in the fund | ❑ | ❑ | ❑ | ❑ |
| Request examples of ESG factors identified within the portfolio and action taken in response | ❑ | ❑ | ❑ | ❑ |
| Request details about how ESG factors were considered when preparing to exit from investments | ❑ | ❑ | ❑ | ❑ |
| Other ways ESG factors are monitored in the post-investment process; specify\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ | ❑ |
| None of the above | ❑ | ❑ | ❑ | ❑ |
| **SAM 11.2** | Provide any additional information relevant to your organisation's dialogue and monitoring of external managers.  [Optional] | | | | |
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| SAM 11 | **EXPLANATORY NOTES** |
| **SAM 11.1** | ESG disclosure during life of fund, including incident reporting and explanation of how incidents have been managed.  **Reporting on ESG impacts on financial performance or ESG performance**  These options aim to capture whether you require your external manager to measure impact, positive or negative, of incorporating ESG factors into investment decision-making. |
| **LOGIC** | |
| **SAM 11** | This indicator will be applicable if you report ‘Monitoring’ for the relevant asset class(es) in [02]. |
| **ASSESSMENT** | |
| **SAM 11** | Maximum score: Nine ★ per asset class  The assessment of this indicator is based on your responses to [11.1]. The ‘general section’ is applicable to everyone and is worth three ★ as part of your ‘core’ assessment. The ‘investment selection’ and ‘investment monitoring’ sections will each be worth three ★ as part of your ‘additional’ assessed indicators.  ‘Other; specify’ options will be included in the score as long as an explanation has been provided in the appropriate text field. If the explanation is left blank, no points will be awarded. |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| SAM 12 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | DESCRIPTIVE | PRI 1 — 6 |

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| SAM 12 | INDICATOR |
| **SAM 12.1** | Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories. |
|  | % |
| **SAM 12.2** | Additional information  [Optional] |
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| SAM 12 | **EXPLANATORY NOTES** |
| **SAM 12.1** | These figures are used to reduce the scope for double counting of signatories’ AUM for the purposes of PRI public communication. There is no value judgement on this percentage, and it will not be used as part of the scoring/assessment methodology. |

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|  | Indicator status | Purpose | Principle |
| SAM 13 | VOLUNTARY | DESCRIPTIVE | PRI 2 |

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| SAM 13 | INDICATOR | | | | |
| **SAM 13.1** | Provide examples of how ESG factors have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year. | | | | |
|  | **Topic or issue** | **Conducted by** | **Asset class** | **Scope and process** | **Outcomes** |
|  | * Internal staff * Investment consultants   [drop down] | * All * Applicable from SAM 03   [drop down] |  |  |
|  | [same as above] | [same as above] |  |  |
|  | [same as above] | [same as above] |  |  |
|  | [same as above] | [same as above] |  |  |
|  | [same as above] | [same as above] |  |  |
| **SAM 13.2** | Additional information. | | | | |
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| SAM 13 | **EXPLANATORY NOTES** |
| **SAM 13.1** | Organisations are not expected to provide the names/details of investment managers. Ideally, you should provide examples from the current reporting year but you are encouraged to report examples from previous years if you want to provide a balanced view on how ESG factors influence selection, appointment and/or monitoring processes or to highlight specific features of your approach. |
| **LOGIC** | |
| **SAM 13.1** | Applicable asset classes in the field ‘asset class’ will depend on your response(s) in [02]. |

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| **EXAMPLES** | | | | |
| **Topic or issue** | **Conducted by** | **Asset class** | **Scope and process** | **Outcomes** |
| Mining | Internal staff | Private Equity | In selecting a specialist PE mining investor, during due diligence we noted that the GP's ESG process did not address health and safety. We asked the GP to develop a policy and criteria on this issue. The GP refused to do so. | We therefore decided not to invest in the fund. |
| Human rights | Internal staff | Property | The manager of the fund did not have a policy to address the rights of communities relocated for property development. We requested the manager to develop a policy on this issue. | The manager developed a policy and we were able to invest in the fund. |

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| SECTION |
| Communication |

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|  | Indicator status | Purpose | Principle |
| SAM 14 | MANDATORY | CORE ASSESSED | PRI 6 |

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| SAM 14 | INDICATOR | | | |
| **SAM 14.1** | Indicate whether your organisation proactively discloses any information about responsible investment considerations in your indirect investments. | | | |
|  | 🔾 Yes, we disclose information publicly, please provide URL:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  🔾 Yes, we disclose information to clients/beneficiaries only  🔾 We do not proactively disclose information to the public and/or clients/beneficiaries | | | |
| **SAM 14.2** | Indicate whether the level of information you disclose to the public is the same as that disclosed to clients/beneficiaries. | | | |
|  | 🔾 Yes | | 🔾 No | |
| **SAM 14.3** | Indicate what type of information your organisation proactively discloses to the public and clients/beneficiaries about your indirect investments. | | | |
|  | **Public** | | **Clients/beneficiaries** |
| How responsible investment considerations are included in manager selection, appointment and monitoring processes | ❑ | | ❑ |
| Details of the responsible investment activities carried out by managers on your behalf | ❑ | | ❑ |
| E, S and/or G impacts and outcomes that have resulted from your managers’ investments and/or active ownership | ❑ | | ❑ |
| Other; specify\_\_\_\_\_\_\_\_\_ | ❑ | | ❑ |
| **SAM 14.4** | Additional information.  [Optional] | | | |
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| SAM 14 | **EXPLANATORY NOTES** |
| **SAM 14.1** | The purpose of this indicator is to allow signatories to demonstrate how widely they make information about their responsible investment activities available. Information provided to certain groups—such as pension fund beneficiaries—may in practice be in the public domain. However, deliberate reporting to the public at large is treated here as a separate category of communication.  Proactively means beyond the publication of your responses to the PRI Reporting Framework on the PRI website. This can be information on your own website (such as your full or partial PRI Reporting Framework responses, or other forms of RI reporting), annual report, newsletter, etc. It may be information proactively given to clients or shared with the public using any form judged appropriate. |
| **SAM 14.3** | Disclosure on how you are implementing responsible investments as a an indirect investor can be done in different forms. The options provided cover three main approaches you may be following:   * How RI is considered in selection, appointment and monitoring is primarily the type of information covered in this module of the reporting framework. If you proactively disclose the PRI reporting or other documentation on how you address ESG with external managers, you should select this first option. * Details of your external manager’s RI implementation: this may be more detailed information of what your external manager is doing. This could be describing their activities to the public or simply linking to external managers websites that provide details of how they implement different areas of RI. * Outcomes: these are the E, S and/or G impacts as a result of your manager’s activities (e.g., greenhouse gas emission reductions as a result of investment in wind and solar plants in an infrastructure fund, changes in a particular company’s waste water management as a result of engagement activities, impact of ESG factors on financial performance and how you managers identify links between ESG analysis and performance or risk mitigation.). |
| **SAM 14.4** | In relation to the information you provide, this could include:   * a summary of the votes that have been cast on your behalf * details of the engagement activities that have been conducted on your behalf (e.g., number of companies engaged with, the issues on which companies were engaged, the outcomes achieved) * discussion of how ESG factors have affected investment portfolios and their performance |
| **LOGIC** | |
| **SAM 14** | Within indicator:   * [14.2] is applicable if you report that your organisation proactively discloses information publicly in [14.1]. * [14.3] is applicable if you report in [14.1] that your organisation proactively discloses information publicly or to clients/beneficiaries only. If the information disclosed publicly and to clients/ beneficiaries is the same you will complete the information once. * If the information disclosed is not the same, [14.3] will contain two columns to enable you to report the different approaches. |
| **ASSESSMENT** | |
| **SAM 4** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [14.1] & [14.3]. |