

EIRIS PRI Toolkit

Providing practical, straightforward solutions for PRI signatories

The UN PRI, designed to align the goals of the institutional investor and the sustainable development objectives of the United Nations, has clearly succeeded in drawing support among the investment community.

But as signatories to a voluntary scheme, what can asset owners and asset managers do in concrete terms to promote the main goal of the PRI: to embed the idea of sustainability into investment management and encourage better corporate environmental, social and governance (ESG) practices? And how can they provide concrete evidence of their implementation process for the PRI's annual report on progress?

Recognising the challenges investors face by committing to these principles, EIRIS has developed a range of products: **EIRisk**, **Global Compact Engager** and **Report Monitor**. Each offers a straightforward, practical solution to help investors implement the UN PRI - in particular Principles 1, 2 and 3.

*Principle 1: **EIRisk**: incorporating ESG issues into investment analysis and decision making processes*

EIRisk offers a sophisticated framework to help investors determine a company's overall ability to manage ESG risks that are material to its business. EIRisk assesses investment portfolios, highlighting each company's *risk exposure* to ESG issues and assessing *management response*. Users can also access detailed reports outlining company performance against relevant issues.

The risk exposure indicator differentiates between companies that are particularly at risk (e.g. a global oil and gas company which is particularly exposed to environment, bribery and human rights issues) and those with less exposure to ESG risks and which investors may therefore be less concerned about.

Management response indicators focus on a company's policies, systems and reporting. Assessments range from 'Alert' (companies which have not resolved allegations relating to breaches of international norms) to 'Risks mitigated' (for good practice companies that have demonstrated an adequate level of risk management in the relevant ESG areas).



Sector	Result	Final Score	2nd Result
Forestry & Paper	Unmanaged risks	0	High risk
Banks	Unmanaged risks	-2	Medium risk
Banks	Unmanaged risks	-2	Medium risk
General Financial	Unmanaged risks	-2	Medium risk
General Financial	Unmanaged risks	-2	Medium risk
General Financial	Unmanaged risks	-2	Medium risk
Food & Drug Retail	Unmanaged risks	-3	Very high risk
Support Services	Unmanaged risks	-3	Medium risk

*Principle 2: **Global Compact Engager** – assisting investors wishing to pursue an engagement strategy*

Global Compact Engager highlights good practice companies and at the other end of the scale, those that fall short on performance (e.g. those companies subject to high profile allegations because they have failed to adequately address one or several Global Compact issues relevant to their business).

Engagement assessments such as 'On track', 'Room for improvement' or 'Key issue unmanaged' help investors prioritise their engagement. An overall score allows users to further differentiate between companies that have obtained a similar engagement assessment. Detailed reports provide the engager with targets and steps to enable companies to improve their performance, and provide useful information for questions to put to companies. The Global Compact Engager also identifies sector laggards to support those investors who have adopted a sectoral approach.

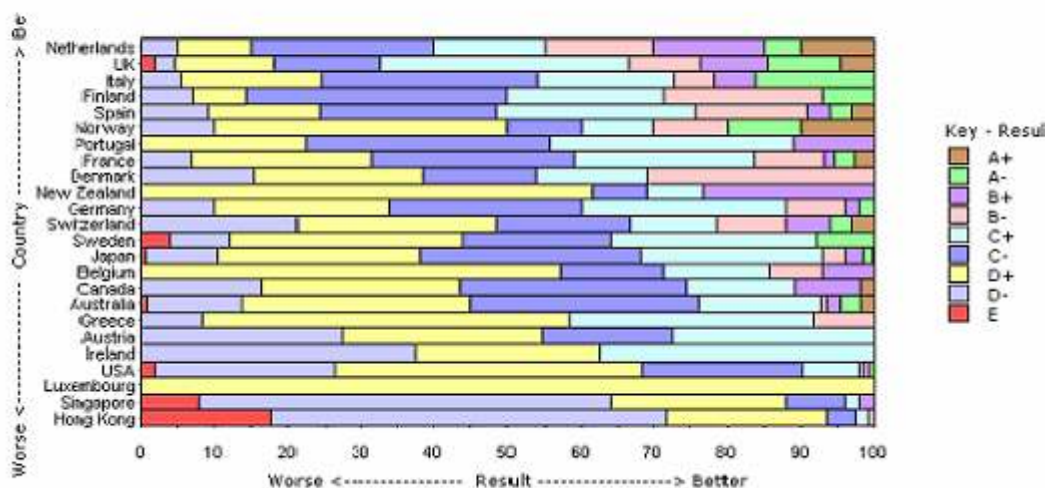


Sector	Country	Result	Final Score
Construction & M	Switzerland	On track	12
Construction & M	Sweden	On track	6
Construction & M	Spain	On track	6
Construction & M	Spain	On track	5
Construction & M	Greece	On track	4
Construction & M	France	On track	4
Construction & M	UK	On track	2
Construction & M	Spain	On track	2

Principle 3: Report Monitor - identifying leaders and laggards on ESG disclosure

Report Monitor focuses exclusively on companies' reporting in respect of all of the UN Global Compact issues. It provides investors with an overall assessment of a company's reporting practice. Each company is graded (A to E) according to the quality of its reporting and its exposure to ESG risks (i.e. higher risk companies need to meet higher reporting standards to achieve the same grade as a lower risk company). Report Monitor also provides a detailed account of each company's reporting strengths and weaknesses to help investors understand where and how a company can improve its ESG disclosure.

Results for [Report Monitor] Policy for all countries; all sectors; all sizes; FTSE All-World Developed. Analysed according to number of Companies.



Contact us

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EIRIS is a leading global provider of independent research into the environmental, social governance (ESG) and ethical performance of companies. With over 25 years' experience of conducting research and promoting responsible investment strategies, EIRIS now provides services to more than 100 asset owners and asset managers globally. In the last ten years new EIRIS research has focussed on the risks and exposure of companies in key ESG areas, and how companies are responding. We work with clients to create their own ESG ratings and rankings, to engage with companies and to create specific funds for their clients. We have a multinational team of over 50 staff in London, together with offices in Boston and Paris. The EIRIS network includes research organisations in Australia, France, Israel, Germany, Spain & South Korea and now covers over 3,000 companies globally.