

PRI Reporting Framework

HEDGE FUNDS

2025

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POLICY

INVESTMENT GUIDELINES [HF 1]

Indicator ID HF 1	Dependent on:	OO 21	Sub-section Investment guidelines	PRI Principle 1, 4, 6	Type of indicator CORE
	Gateway to:	N/A			

What activities, practices and/or relationships are covered by your organisation's [responsible investment policy\(ies\)](#) for the majority of your hedge fund assets?

☐ (A) Our ESG requirements of prime brokers
☐ (B) Our ESG requirements for administrators and custodians
☐ (C) Our ESG requirements regarding [\(proxy\) voting service providers](#) (or other third-party providers), where applicable
☐ (D) How breaches in our responsible investment policy are communicated to clients
☐ (E) How ESG is incorporated into our long and/or short exposures
☐ (F) Whether sectors, issuers, equities and/or asset types are excluded from the portfolio due to [ESG factors](#)
☐ (G) How we engage with underlying investees, issuers or real assets
☐ (H) Our responsible investment policy(ies) does not specifically cover activities, practices and/or relationships for our hedge fund assets

Additional context to your response(s): _____ [Voluntary free text: large]

Explanatory notes	
Purpose of indicator	<p>This indicator aims to capture whether a signatory's responsible investment policy includes hedge fund-specific guidance for its hedge fund assets. Many investors will have an organisation-wide ESG or responsible investment policy that covers all asset classes. A policy covering all asset classes will likely leave space for interpretation regarding its application to hedge fund assets. Adapting this into specific ESG guidelines for an organisation's hedge fund assets is considered good practice and will help align expectations and practices related to responsible investment in hedge funds.</p>

	These answer options are intended to provide the signatory with the opportunity to outline how the hedge fund or investment manager’s responsible investment policy impacts B2B relationships or contracts and the asset selection process.	
Additional reporting guidance	Guidelines relating to relationships and/or activities specific to hedge fund assets may appear in a standalone document (i.e. a hedge fund policy) or feature in the overall responsible investment policy.	
Other resources	For guidance on how to write a responsible investment policy, refer to An introduction to responsible investment: policy, structure and process .	
	For further guidance, refer to the PRI’s Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.	
Logic		
Dependent on	[OO 21]	
Gateway to	N/A	
Assessment		
Assessment criteria	100 points for this indicator.	Further details: Selecting ‘H’ will result in 0/100 points for this indicator.
	100 points for 4 or more selections from A–G. 66 points for 3 selections from A–G. 33 points for 2 selections from A–G. 0 points for 1 selection from A–G OR H.	
Multiplier	Moderate	

OVERALL APPROACH

MATERIALITY ANALYSIS [HF 2]

Indicator ID HF 2	Dependent on: OO 21	Sub-section Materiality analysis					PRI Principle 1	Type of indicator CORE		
	Gateway to: N/A									
Does your organisation have a formal investment process to identify and incorporate material ESG factors across your hedge fund strategies?										
	Internally managed hedge fund strategies									
	All strategies	(1) Multi-strategy	(2) Long/short equity	(3) Long/short credit	(4) Distressed, special situations and event-driven fundamental	(5) Structured credit	(6) Global macro	(7) Commodity trading advisor	(8) Other strategies	
(A) Yes, our investment process incorporates material governance factors	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM	

	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(C) Yes, our investment process incorporates material ESG factors into risk assessment and the risk profile of the underlying exposures	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion		O	O	O	O	O	O	O	O
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors		O	O	O	O	O	O	O	O
Additional context to your response(s): _____ [Voluntary free text: large]									

Explanatory notes	
Purpose of indicator	This indicator aims to assess the scope and depth of the signatory's research into material ESG factors and whether this has been formalised as part of its investment processes. It is considered good practice for the analysis of hedge funds to extend beyond material governance factors and be incorporated into an organisation's formal investment process or structure to allow for the identification and management of downside risks that might remain undiscovered without the analysis of ESG data and trends. Formally integrating this analysis into the investment process helps ensure consistency within the organisation.
Additional reporting guidance	A formal process to identify material ESG factors involves the systematic or structured incorporation of some or all of the following three steps into the investment process: (i) Security, issue or asset research: Identifying material ESG issues that impact the valuation of a security, issue or asset (or provide topics for engagement).

	<p>(ii) Security, issue or asset valuation: Integrating the material ESG issues into financial analyses, e.g. by making adjustments to required rates of return, valuation multiples, forecasted earnings, cash flows and balance sheet strength.</p> <p>(iii) Portfolio management: Including the ESG analysis in decisions about portfolio construction, e.g. through sector weightings.</p> <p>In this indicator, a 'formal' investment process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.</p> <p>Material ESG factors are identified and assessed alongside traditional financial factors when forming an investment decision about a specific company or the overall portfolio structure to lower risk and/or enhance returns. Investors apply a range of techniques to identify risks and opportunities that might remain undiscovered without analysing specific ESG data and broad ESG trends. ESG factors differ in relevance and materiality across companies, sectors and markets. This indicator does not relate to the signatory's final judgements about relevance or materiality but to the scope of their research processes.</p>			
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.			
Logic				
Dependent on	[OO 21]			
Gateway to	N/A			
Assessment				
Assessment criteria	100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.			
	50 points for the lettered answer options: 50 points for all 3 selections from A–C. 40 points for both A and B. 30 points for both A and C OR for both B and C. 20 points for 1 selection from A and B. 10 points for C. 0 points for D, E.	AND	50 points for the coverage: Per answer selection A to C, each option will be worth the following proportion: 50/3 points for all (1). 25/3 points for a majority (2). 12/3 points for a minority (3).	Further details: Selecting 'D' or 'E' will result in 0/100 points for this indicator. The number of strategy types applicable will not affect the points available for this indicator, as each strategy will receive a separate score.
Multiplier	Moderate			

MONITORING ESG TRENDS [HF 3]

Indicator ID HF 3	Dependent on:	OO 21	Sub-section Monitoring ESG trends				PRI Principle 1	Type of indicator CORE		
	Gateway to:	N/A								
Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your hedge fund strategies?										
		Internally managed hedge fund strategies								
		All strategies	(1) Multi-strategy	(2) Long/short equity	(3) Long/short credit	(4) Distressed, special situations and event-driven fundamental	(5) Structured credit	(6) Global macro	(7) Commodity trading advisor	(8) Other strategies
(A) Yes, we have a formal process that includes scenario analyses Specify: _____[Voluntary free text: medium]		[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]	[Dropdown list]
		(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	(1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses Specify: _____ [Voluntary free text: medium]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(C) We do not have a formal process for our hedge fund strategies; our investment professionals monitor and review the implications of changing ESG trends at their discretion		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our hedge fund strategies		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional context to your response(s): _____ [Voluntary free text: large]									

Explanatory notes	
Purpose of indicator	This indicator aims to assess whether signatories have formalised the review and monitoring of changing ESG trends as part of their investment process. Once material ESG factors have been identified (including whether they are present or potential), it is considered good practice to have a formal process that applies to all AUM across all different hedge fund strategies to monitor and review the implications of changing ESG trends. This process should include scenario analysis to assess the impact of these trends on existing holdings.
Additional reporting guidance	<p>In this indicator, a 'formal' process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.</p> <p>For the purpose of this indicator, 'changing ESG trends' includes changes in regulations, physical climate, technology, and consumer demands.</p> <p>For the purpose of this indicator, 'scenario analysis' is not restricted to climate factors but includes the analysis of other ESG factors relevant to an investment decision.</p>
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.

Logic				
Dependent on	[OO 21]			
Gateway to	N/A			
Assessment				
Assessment criteria	100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.			
	50 points for the lettered answer options: 50 points for A. 33 points for B. 0 points for C and D.	AND	50 points for the coverage: 50 points for all (1). 25 points for a majority (2). 12 points for a minority (3).	Further details: Selecting 'C' or 'D' will result in 0/100 points for this indicator. The number of strategy types applicable will not affect the points available for this indicator, as each strategy will receive a separate score.
Multiplier	High			

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH [HF 4, HF 5]

Indicator ID	Dependent on:	OO 21	Sub-section					PRI Principle	Type of indicator	
HF 4	Gateway to:	N/A	ESG incorporation in research					1	CORE	
How does your investment research incorporate material ESG risks and ESG opportunities into the selection of listed companies or issuers of corporate debt?										
		Internally managed hedge fund strategies								
		All strategies	(1) Multi-strategy	(2) Long/short equity	(3) Long/short credit	(4) Distressed , special situations and event-driven fundamental	(5) Structured credit	(6) Global macro	(7) Commodity trading advisor	(8) Other strategies
(A) We incorporate material governance-related risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt		[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases	[Dropdown list] (1) in all cases (2) in a majority of cases

	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases
(B) We incorporate material environmental and social risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(C) We incorporate material environmental and social risks and opportunities that may arise from how listed companies or issuers of corporate debt undertake their operations	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(D) We incorporate material environmental and social risks and opportunities linked to a listed company or issuer or corporate debt supply chain	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(E) Other Specify: _____ [Mandatory free text: small]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(F) Our investment research does not incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt		O	O	O	O	O	O	O	O

(G) Not applicable; our strategy does not invest directly in listed companies or issuers of corporate debt		O	O	O	O	O	O	O	O
Additional context to your response(s): _____ [Voluntary free text: large]									

Explanatory notes				
Purpose of indicator	The purpose of this indicator is to assess how material ESG risks and opportunities are incorporated into investment research into a company’s (issuer or security) activities or operations, an asset type or other financial instrument. The integration of governance-related risks and opportunities is considered a widespread practice. More advanced practices cover a broader range of issues in a supply chain.			
Additional reporting guidance	In this indicator, answer options A–D refer to direct investments in listed equities or issuers of corporate debt. Where the investment strategy does not invest directly in these asset classes, this indicator is not applicable, and the signatory should select answer option ‘G’.			
Other resources	For further guidance, refer to the PRI’s Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.			
Logic				
Dependent on	[OO 21]			
Gateway to	N/A			
Assessment				
Assessment criteria	100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.			
	50 points for the lettered answer options: 50 points for 4 selections from A-D. 37 points for 3 selections from A-D. 25 points for 2 selections from A-D. 12 points for 1 selections from A-D.	AND	50 points for the coverage: Per answer selection A to D, each option will be worth the following proportion: 50/4 points for all (1).	Further details: Selecting ‘F’ will result in 0/100 points for this indicator.

	0 points for E, F.		25/4 points for a majority (2). 12/4 points for a minority (3).	<p>Selecting 'G' means the indicator is scored as N/A. Signatories will not be penalised for this indicator.</p> <p>The number of strategy types applicable will not affect the points available for this indicator, as each strategy will receive a separate score.</p>
'Other' scored as	Selecting Other (E) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.			
Multiplier	Moderate			

Indicator ID HF 5	Dependent on:	OO 21	Sub-section ESG incorporation in research	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Where you invest in **commodities** or other asset classes, either directly or through other financial instruments, provide an example of how you **incorporate material ESG factors** into your research, investment strategy, engagement or portfolio construction.

[Free text: large]

Explanatory notes	
Purpose of indicator	This indicator allows signatories to share interesting, innovative or leading practices and experiences and enables the PRI to compile evidence of examples.
Additional reporting guidance	Hedge funds include a wide variety of investment strategies and asset types, including hard and soft commodities. The PRI is interested in capturing practices in relation to hard and soft commodities (or derivatives related to these asset classes) or other asset classes relating to the PRI's Principle 1 (we will incorporate ESG issues into investment analysis and decision-making processes) or Principle 2 (we will be active owners and incorporate ESG issues into our ownership policies and practices).
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.
Logic	
Dependent on	[OO 21]
Gateway to	N/A
Assessment	
Not assessed	

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION [HF 6, HF 7]

Indicator ID HF 6	Dependent on: OO 21		Sub-section ESG incorporation in portfolio construction				PRI Principle 1	Type of indicator CORE		
How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?										
	Internally managed hedge fund strategies									
	All strategies	(1) Multi-strategy	(2) Long/short equity	(3) Long/short credit	(4) Distressed, special situations and event-driven fundamental	(5) Structured credit	(6) Global macro	(7) Commodity trading advisor	(8) Other strategies	
(A) Material ESG factors contribute to the selection of individual assets and financial instruments within our portfolio construction and/or benchmark selection process	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	[Dropdown list] (1) for all of our AUM (2) for a majority of our AUM (3) for a minority of our AUM	

(B) Material ESG factors contribute to the portfolio weighting of individual assets and financial instruments within our portfolio construction and/or benchmark selection process	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(C) Material ESG factors contribute to the sector, country or regional weighting of assets and financial instruments within our portfolio construction and/or benchmark selection process	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(D) Material ESG factors contribute to determining the construction of short positions	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(E) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process Specify: _____ [Mandatory free text: medium]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]	[As above]
(F) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors		O	O	O	O	O	O	O	O
Additional context to your response(s): _____ [Voluntary free text: large]									

Explanatory notes				
Purpose of indicator	This indicator allows signatories to outline the extent to which material ESG factors are incorporated into the construction process of a portfolio and not only the valuation process or selection criteria. It is considered good practice to incorporate material ESG factors into all aspects of the portfolio construction process and asset selection across a range of investment strategies and all AUM rather than for a particular portfolio or group of funds. The answer options indicate different aspects of the portfolio construction process for which signatories may derive part of their conviction and risk appetite from ESG considerations.			
Additional reporting guidance	This indicator refers to the portfolio construction process with answer options that include the selection of individual assets, asset classes, sector weightings and benchmarks or indices, the construction of short positions and the holding period.			
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.			
Logic				
Dependent on	[OO 21]			
Gateway to	N/A			
Assessment				
Assessment criteria	100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options.			
	50 points for the lettered answer options: 50 points for 2 or more selections from A–D. 25 points for 1 selections from A–D. 0 points for E, F.	AND	50 points for the coverage: Per answer selection A to D, each option will be worth the following proportion: 50/3 points for all (1). 25/3 points for a majority (2). 12/3 points for a minority (3).	Further details: Selecting ‘F’ will result in 0/100 points for this indicator. The number of strategy types applicable will not affect the points available for this indicator, as each strategy will receive a separate score.
‘Other’ scored as	Selecting Other (E) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice.			
Multiplier	Moderate			

Indicator ID HF 7	Dependent on:	OO 21	Sub-section ESG incorporation in portfolio construction	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			
Describe how information or data on material ESG factors influenced weightings and portfolio construction in each of your main hedge fund strategies during the reporting year.					
Internally managed hedge fund strategies			Example		
(A) Multi-strategy			[Free text: large]		
(B) Long/short equity			[Free text: large]		
(C) Long/short credit			[Free text: large]		
(D) Distressed, special situations and event-driven fundamental			[Free text: large]		
(E) Structured credit			[Free text: large]		
(F) Global macro			[Free text: large]		
(G) Commodity trading advisor			[Free text: large]		
(H) Other strategies			[Free text: large]		

Explanatory notes	
Purpose of indicator	This indicator provides the signatory with the opportunity to expand upon examples of what they believe are interesting, innovative or leading practices when incorporating material ESG factors into the weightings and portfolio construction comprising their main hedge fund strategies, allowing signatories to share different practices and experiences.
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into hedge fund strategies.
Logic	
Dependent on	[OO 21]
Gateway to	N/A
Assessment	
Not assessed	

POST-INVESTMENT

ESG RISK MANAGEMENT [HF 8, HF 9]

Indicator ID HF 8	Dependent on: OO 21	Sub-section ESG risk management	PRI Principle 1	Type of indicator CORE
Gateway to:	N/A			

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

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

Additional context to your response(s): _____ [Voluntary free text: large]

Explanatory notes	
Purpose of indicator	This indicator aims to understand the oversight and confidence-building measures undertaken by the signatory to ensure stated negative exclusionary screens are complied with across all portfolios where they are applied. It is considered good practice to introduce oversight through an independent committee that conducts reviews and monitors implementation, results and criteria changes. These measures should operate alongside and complement internal compliance procedures.
Additional reporting guidance	In this indicator, 'internal compliance procedures' include (but are not limited to) internal controls to ensure that funds or portfolios subject to negative exclusionary screens meet the screening criteria and/or independent audit processes that ensure screening criteria are implemented correctly.

	<p>In this indicator, 'an external committee' can refer to a body that provides independent advice and guidance to the signatory organisation on the implementation, review and development of screening criteria, whether for a specific fund or at an organisational level.</p> <p>In this indicator, 'an independent internal committee' could comprise senior staff without investment decision-making responsibilities such as risk and/or compliance teams.</p>	
Other resources	For further guidance on screening, refer to An introduction to responsible investment: screening .	
Reference to other standards	OECD Responsible Business Conduct for Institutional Investors	
Logic		
Dependent on	[OO 21]	
Gateway to	N/A	
Assessment		
Assessment criteria	100 points for this indicator. 100 points for 3 selections from A–C OR for both A and B. 66 points for both A and C OR for both B and C. 33 points for 1 selection from A–C. 0 points for D.	Further details: Selecting 'D' will result in 0/100 points for this indicator. Selecting 'E' means the indicator is scored as N/A. Signatories will not be penalised for this indicator.
Multiplier	Moderate	

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

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

	Internally managed hedge fund strategies								
	All strategies	(1) Multi-strategy	(2) Long/short equity	(3) Long/short credit	(4) Distressed, special situations and event-driven fundamental	(5) Structured credit	(6) Global macro	(7) Commodity trading advisor	(8) Other strategies
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual securities, issuers and financial instruments	<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) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other securities, issuers and	<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"/>

financial instruments exposed to similar risks and/or incidents									
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our 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"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional context to your response(s): _____ [Voluntary free text: large]									

Explanatory notes		
Purpose of indicator	This indicator aims to assess whether signatories' risk management processes formally incorporate material ESG risks and ESG incidents into their investment decisions and research. It is considered good practice to have a formal process in place to regularly identify and incorporate ESG risks and ESG incidents, ideally at the individual asset level, to have the appropriate level of oversight and scrutiny to adequately inform investment decisions. This process needs to be able to identify risks and incidents with material implications for the valuation or business model, which might also have implications for the investment manager in terms of reputational risk.	
Additional reporting guidance	In this indicator, a 'formal' process refers to an agreed-upon structure and process, including any oversight and responsibility to carry out said process.	
Other resources	For further guidance, refer to the PRI's Technical guide: ESG incorporation in hedge funds , which provides a suggested framework for fund managers to incorporate material ESG factors into their hedge fund strategies.	
Logic		
Dependent on	[OO 21]	
Gateway to	N/A	
Assessment		
Assessment criteria	100 points for this indicator. 100 points for 4 selections from A–D. 75 points for 3 selections from A–D. 50 points for 2 selections from A–D. 25 points for 1 selection from A–D. 0 points for E, F.	Further details: Selecting 'F' will result in 0/100 points for this indicator. The number of strategy types applicable will not affect the points available for this indicator, as each strategy will receive a separate score.
Multiplier	Moderate	