PRI REPORTING & PATHWAYS GLOSSARY (2026)

WHAT IS THE REPORTING & PATHWAYS GLOSSARY?

We provide definitions for the main and most frequently used terms in the PRI Reporting Framework and Pathways. These definitions, some of which have been developed in collaboration with the CFA and the GSIA, should help signatories to report on their responsible investment practices and understand our Pathways practices and guidelines.

UNDERSTANDING THE REPORTING & PATHWAYS GLOSSARY

1. Each term's definition is found in column C.
2. Where a term has been updated since the 2025 reporting cycle, it is noted in column E.
3. Where a term is mentioned in the 2026 Reporting Framework it is noted in column F.
4. Where a term is mentioned in Pathways, it is noted in column G.

IMPORTANT REMINDER

For Pathway terms, we use 'sustainability-related', while for Reporting Framework terms, we use 'sustainability and governance-related'. This is to ensure consistency with each framework's language. However, the terms are meant to be interchangeable and 'sustainability-related' is understood to encompass governance-related issues.

For terms that are referenced in both Pathways and the Reporting Framework, 'sustainability and governance-related' is used.

Some definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and the legislative landscape.

DISCLAIMER

ID	Term title	Definition	Category	Updated from the 2025 glossary	Reporting (2026)	Pathways
1	Sustainability and governance action plan	A detailed plan outlining actions needed to manage sustainability and governance-related risks and opportunities. An action plan has four major elements: (1) specific tasks: what will be done and by whom, (2) time horizon: when will it be done, (3) resource allocation: what specific funds are available for specific activities, and (4) measurable outcomes. This definition is aligned with the 2022 GRESB guidance document "Real Estate Assessment Reference Guide"	ALTERNATIVE INVESTMENTS	☑	☑	
2	Environmental and social management systems	A management system consisting of procedures, management commitment, delineation of roles and responsibilities, and guidance followed, to review and manage environmental and social-related issues.	ALTERNATIVE INVESTMENTS	☑	☑	
3	Side letter	An agreement entered into by the general partner (GP) and a specific limited partner (LP), clarifying and/or supplementing the terms of the fund documentation when applied to that LP.	ALTERNATIVE INVESTMENTS		☑	☑
4	General partner / manager (GP)	An investment firm that manages pooled investment funds, usually focused on alternative assets classes, such as private equity, and is responsible for selecting and managing the investments.	ALTERNATIVE INVESTMENTS		☑	☑
5	Limited Partnership Agreement	Legal documentation that outlines the fundamental terms governing the operations of a fund, including the rights and responsibilities of the parties.	ALTERNATIVE INVESTMENTS		☑	
6	Limited partners/clients (LP)	Organisations that invest in a pooled fund and do not take part in its active management. Limited partners/clients can include institutional investors, sovereign and endowment funds, family offices, and high-net-worth individuals.	ALTERNATIVE INVESTMENTS		☑	☑
7	Third-party property managers	Organisations that manage all types of property assets (e.g. retail, commercial, and residential) for other organisations. They provide advice and support in a range of areas, e.g. facilities management, accounting, compliance, maintenance and utilisation.	ALTERNATIVE INVESTMENTS		☑	☑
8	Third-party operators	Organisations that manage or maintain all types of infrastructure assets (e.g. highways, airports) for other organisations.	ALTERNATIVE INVESTMENTS		☑	☑
9	Labelled bond	A debt instrument whose proceeds are earmarked for financing or refinancing specific projects with defined environmental and/or social benefits. These bonds are issued under a recognised framework and are commonly classified as green bonds; social bonds; sustainability bonds and sustainability-linked bonds (SLBs).	ASSET CLASS BREAKDOWN	☑		☑
10	Secondaries	Acquiring direct positions in companies from existing private equity investors, typically through portfolios.	ASSET CLASS BREAKDOWN		☑	
11	Infrastructure and other real assets	An asset class that includes direct or indirect exposure to physical or real assets. This includes electricity distribution systems, road and rail transportation, telecommunication systems, or pipelines.	ASSET CLASS BREAKDOWN		☑	☑
12	Real estate	An asset class that includes direct or indirect exposure to real property. This includes investments in non-listed real estate funds and investments in real estate companies that invest in real property.	ASSET CLASS BREAKDOWN		☑	☑
13	Fixed income	Any form of debt financing by investors to borrowers, whether through loans, bonds or any other debt instrument such as convertible bonds and notes. Borrowers can be sovereign, sub-sovereign, supranational, or corporate entities (including their subsidiaries or special-purpose vehicles).	ASSET CLASS BREAKDOWN		☑	☑
14	Internally managed assets	Assets for which investment decisions at a security, asset, or financial instrument level are made in-house by the signatory. This should include consolidated and wholly owned subsidiaries of the signatory. Signatories that perform internal research that supports investment decisions and/or provides lists of eligible (or ineligible) securities, assets, or financial instruments to sub-advisor(s) should list their assets as internally managed.	ASSET CLASS BREAKDOWN		☑	☑
15	Externally managed assets	Assets for which investment decisions at a security, asset, or financial instrument level are made on an organisation's behalf by an external investment manager or similar third party. Fund of funds managers should report their assets as externally managed where the above applies.	ASSET CLASS BREAKDOWN		☑	☑

16	Private debt	Debt investments not financed by banks and not issued or traded in an open market. Private debt falls into a broader category termed alternative debt or alternative credit and is used interchangeably with direct lending, private lending and private credit. Private refers to the investment instrument and not necessarily the borrower – public companies can borrow private debt just as private companies can.	ASSET CLASS BREAKDOWN		☑	☑
17	Securitised debt	Debt securities backed by asset pools and issued by special-purpose vehicles. These include asset-backed securities, mortgage-backed securities, collateralised debt or loan obligations, and covered bonds.	ASSET CLASS BREAKDOWN	☑	☑	☑
18	Corporate debt	Debt securities issued by public or private financial and non-financial companies, including banks and insurers. This includes senior or subordinated publicly listed debt, project finance, and infrastructure debt. It excludes assets in a lending portfolio, such as deposits and loans, where an organisation runs a banking division.	ASSET CLASS BREAKDOWN	☑	☑	☑
19	Sovereign, Supranational, Agency (SSA) debt	Debt securities issued by supranational organisations (e.g. multilateral development banks or international unions), sovereigns (e.g. government bonds in any denomination), government agencies (e.g. government sponsored agency bonds, quasi-government agencies), and municipalities, sub nationals, local governments (e.g. muni bonds).	ASSET CLASS BREAKDOWN	☑	☑	☑
20	Private equity	Equity investments in privately held companies that are not traded on a stock exchange.	ASSET CLASS BREAKDOWN		☑	☑
21	Listed equity	Equity that is traded on a stock exchange. It includes all listed equity in all jurisdictions.	ASSET CLASS BREAKDOWN		☑	☑
22	Passive investing	Investment strategies and activities that mirror the performance of an index that reflect exclusions, themes, or tilts (such as weighting based on sustainability-related issues) and follow predetermined rules that do not involve active discretionary investment decisions. Source: CFA.	ASSET CLASS BREAKDOWN	☑	☑	
23	Active investing	Investment strategies and activities that mirror the performance of an index that reflect exclusions, themes, or tilts (such as weighting based on sustainability-related issues) and follow predetermined rules that do not involve active discretionary investment decisions.	ASSET CLASS BREAKDOWN	☑	☑	
24	Third-party assurance	An evaluation of an organisation's data and/or processes against an appropriate standard, using pre-defined criteria, conducted by an independent entity or individual. This evaluation should result in a written conclusion, stating the level of confidence that the intended audience can have in the data or process.	CONFIDENCE-BUILDING MEASURES		☑	
25	Internal audit	An objective assurance and consulting activity performed by the organisation's internal audit function, designed to add value and improve operations. It helps an organisation accomplish its objectives by evaluating and improving the effectiveness of risk management, control and governance processes in systematic, disciplined way.	CONFIDENCE-BUILDING MEASURES	☑	☑	
26	Confidence-building measures	Practices that aim to make organisations and their external stakeholders more confident that the information presented in external sustainability and governance reports (e.g., PRI transparency reports) has been collected using a rigorous and robust process. Such practices range from basic internal control mechanisms to internal audit and third-party assurance.	CONFIDENCE-BUILDING MEASURES	☑	☑	
27	Climate-related opportunities	Business or financial opportunities resulting from efforts to address climate change. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost saving, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. Climate-related opportunities vary depending on the region, market, and industry in which an organisation operates. This definition is in line with the 2021 TCFD guidance document "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures".	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES		☑	

28	Physical (climate) risks	Physical risks emanating from climate change can be event-driven (acute), such as increased severity of extreme weather events, e.g. cyclones, droughts, floods, and fires. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns or other long-term changes such as sea level rise. These risks may often be more easily identifiable in real assets, such as infrastructure and real estate.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
29	Climate-related risks	Potential impacts of climate change on an organisation can be divided into two major categories: physical risks and transition risks. Physical risks can be event-driven (acute), such as increased severity of extreme weather events. They can also relate to longer-term (chronic) shifts in precipitation and temperature, increased variability in weather patterns, sea-level rise, or other long-term changes. Climate-related risks can also be associated with the global transition to a lower-carbon economy. This may related to changes in technology and policy, market responses, reputational considerations and legal actions. Climate-related risks can also manifest at a system level, where compounding or cascading impacts across sectors and geographies create macroeconomic and financial stability risks. Climate risk definitions are described more fully in the 2021 TCFD guidance document "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" and the ISSB's 2023 IFRS S2 Climate-related DIsclosures Standard.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
30	Responsible investment certificates	A certification awarded for a fixed period of time for a fund or product by an independent third-party sustainability and governance initiative. The certificate will focus on one or more sustainability and governance-related issues or outcomes, and will be awarded upon auditing and determining that the fund or product meets predefined criteria of the initiative.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
31	Sustainability and governance-related risks	A sustainability and governance-related risk is a factor or issue that may expose a security, issuer, investment or asset class to changes in its current and future financial, economic, reputational and legal situation. Investors could reasonably expect a sustainability and governance-related risk to be disclosed at a corporate or issuer level, as its omission would result in an incomplete understanding of current or future financial prospects.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
32	Sustainability and governance-related trends	A trend that reflects the change in one or more sustainability and governance-related issues over a period of time. A trend may have implications for the future direction of the financial, economic, reputational, and legal prospects of an issuer, security, investment, or asset class, and thus be considered as financially material.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
33	Absolute emissions	Absolute emissions refers to the total quantity of greenhouse gas (GHG) emissions, expressed in tonnes of carbon dioxide equivalent (tCO_2e), released by an entity or portfolio over a given period. In the context of investors, PCAF defines absolute emissions as the total GHG emissions of an asset class or investment portfolio, before applying attribution or intensity metrics. This provides a baseline measure of climate impact at the portfolio level.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
34	Downstream value chain	All activities that are linked to the sale of products and services produced by the investee. This includes the use and re-use of the product and its end of life, including recovery, recycling, and final disposal. Source: Science Based Target Network (SBTN)	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
35	Affected stakeholders	An individual, organisation or community who may be negatively affected directly (by an organisation’s operations, products, services) or indirectly (value chains). This includes rights-holders; individuals or social groups that have particular entitlements in relation to specific duty-bearers.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑

36	Sustainability-related opportunities	An opportunity arises due to changes in sustainability-related issues that might stem from regulation, technology, consumer demand development, or from other drivers that affect the current and future financial, economic, reputational and legal prospects of an investment opportunity. The sustainability-related opportunity may also result in an improved sustainability outcome for the environment, the community or society.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
37	Nature-related opportunities	Business or financial opportunities generated through activities that create positive outcomes or that mitigate negative impacts on nature. These opportunities can occur when organisations avoid, reduce, mitigate or manage nature-related risks that are, for example, connected to the loss of nature and ecosystem services that the organisation and society depend on; or through the strategic transformation of business models, products, services, markets and investments that work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
38	Dependencies	Ecosystem services and relationships that an organisation or other actors rely on to function. These dependencies include regulating, provisioning and other services provided by ecosystems (like flood control and pollination) and dependencies on people (including their health and wellbeing, knowledge, capabilities and trust).	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑		☑
39	Emission intensity	Emissions intensity refers to the volume of greenhouse gas (GHG) emissions, expressed in CO2-equivalent, per unit of economic output or activity. Common examples include tCO2e/MWh (tons of CO2 per unit of energy produced) or tCO2e/$million (tons of CO2 per million USD of company revenue). The appropriate intensity metric is typically sector-specific. Emission intensity metrics allow for comparison of emissions performance across companies and sectors of different sizes and are widely used in climate disclosure frameworks.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
40	Sustainability and governance-related incidents	Events caused by sustainability and governance-related issues that have a substantial negative impact on a security, issuer, or investment and its key stakeholders including, investors, employees, communities, and the environment.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
41	Sustainability and governance materiality analysis	Identifying and assessing the materiality of sustainability and governance-related issues for current and potential investments.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
42	Inequality	Inequality can be viewed from different perspectives, all of which are related. The most common metric is income inequality, which refers to the extent to which income is evenly distributed within a population. Related concepts are lifetime inequality (inequality in incomes for an individual over his or her lifetime), inequality of wealth (distribution of wealth across households or individuals at a moment in time), and inequality of opportunity (impact on income of circumstances over which individuals have no control, such as family socioeconomic status, gender, or ethnic background). Source: IMF	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES			☑
43	Nature-related issues	Issues identified and assessed during the responsible investment process that relate to the natural world, with emphasis on the diversity of living organisms (plants, animals, people), and their interactions among themselves and with their environment.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
44	Governance issues	Issues relating to the governance of companies and other investee entities, identified or assessed in responsible investment processes.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
45	Environmental issues	Issues relating to the quality and functioning of the natural environment and natural systems, identified or assessed in responsible investment processes.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
46	Social issues	Issues relating to the rights, well-being, and interests of workers (both an investee's own workforce and those across the value chain), communities, customers / end-users for corporate entities, and citizens / populations for sovereign entities, identified or assessed in responsible investment processes.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
47	Integration of sustainability and governance-related issues	Ongoing consideration of sustainability-related issues within an investment analysis and decision-making process with the aim of improving risk-adjusted returns.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES		☑	☑

48	Nature-related risks	Potential threats (effects of uncertainty) posed to an organisation from its and wider society's dependencies and impacts on nature. Nature-related risks can be divided into three major categories: 1) physical risks resulting from the degradation of nature and consequential loss of ecosystem services that economic activity depends upon. These risks can be chronic (e.g. a gradual decline of pollinators resulting in reduced crop yields, or water scarcity) or acute (e.g. natural disasters). These risks are usually location-specific. 2) transition risks stemming from a misalignment of economic actors with actions aimed at protecting, restoring, and/or reducing negative impacts on nature. These risks can be prompted, for example, by changes in regulation and policy, legal precedent, technology, or investor sentiment and consumer preferences. They can also arise from activities aimed at restoring nature that no longer align with revised policies, for example. 3) systemic risks arising from the breakdown of the entire system, rather than the failure of individual parts. Nature-related systemic risks are characterised by modest tipping points combining indirectly to produce large failures and cascading interactions of physical and transition risks. One loss triggers a chain of others and stops systems from recovering their equilibrium after a shock. They encompass risks to both the financial system (i.e. financial stability risk)and risks from the breakdown of natural systems (i.e. ecosystems).	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
49	Human rights-related risks and opportunities	Risks associated with actual and potential negative impacts on people's rights, caused by or directly linked to the activities of investors and companies. Human rights-related opportunities arise from respecting human rights in line with international standards.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
50	Sustainability and governance-related issues	Sustainability and governance-related issues identified or assessed in responsible investment processes may include: - environmental issues related to the quality and functioning of natural systems. - social issues related to the rights, wellbeing and interests of people and communities. - issues related to the governance of companies and other investee entities.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	☑
51	Material sustainability and governance-related issues	Sustainability and governance-related issues with a substantial impact on the current and future financial, economic, reputational and legal prospects of an issuer, security, investment or asset class. This term may also refer to issues related to significant impacts on people or planet connected to an issuer, security, investment, or asset class. At a corporate or issuer level, the disclosure of a material sustianability and governance-related issue would be reasonably expected by investors, as its omission, misstatement or obscuring could reasonably be expected to influence decisions that investors make on the basis of that reporting.	ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	☑	☑	
52	Selection (external investment manager)	All actions that lead up to choosing an external investment manager, reviewing questionnaire responses, shortlisting and meeting managers.	EXTERNALLY MANAGED ASSETS		☑	☑
53	Investment consultant	An agent that provides advisory and consultancy services including, but not limited to, custodial services, investment policy development, strategic asset allocation, investment research, and investment manager selection, appointment and/or monitoring. Services provided do not include active investment management and fiduciary management.	EXTERNALLY MANAGED ASSETS		☑	☑
54	External (investment) manager	An organisation that invests proprietary and client assets in portfolios, funds or products. Also known as an asset manager.	EXTERNALLY MANAGED ASSETS		☑	☑
55	Segregated mandate(s)	Externally managed investment portfolios run exclusively on one investor's behalf and according to their investment mandate.	EXTERNALLY MANAGED ASSETS		☑	☑
56	Pooled fund(s) or pooled investment(s)	Externally managed investment portfolios that aggregate assets from individual investors. Investors tend to have less influence over the investment criteria of these funds than they would in segregated mandates.	EXTERNALLY MANAGED ASSETS		☑	☑
57	Appointment (external investment manager)	Formalising the relationship between an investor and external investment manager by setting the investment mandate via contractual agreements, side letters, or other legal documentation. This includes setting specific goals and objectives.	EXTERNALLY MANAGED ASSETS		☑	☑

58	Monitoring (external investment manager)	Regularly reviewing and assessing the quality of an external investment manager's activities during the investment period.	EXTERNALLY MANAGED ASSETS		☑	☑
59	Investment committee	A decision-making body that oversees and advises management on an organisation's investment assets. This committee usually has the primary responsibility for investment strategies, objectives, processes, and investment decisions. It often works with investment consultants or advisors and its responsibilities differ depending on local regulations.	GENERAL		☑	☑
60	Responsible investment policy	A policy capturing an organisation's intention and approach to incorporating sustainability and governance-related issues in investment decisions and stewardship and/or to take action on sustainability outcomes in line with global goals and thresholds. An organisation's responsible investment policy can take many shapes. It may involve embedding responsible investment considerations into the organisation's main investment policy. It could also consist of a standalone responsible investment policy. Alternatively, it could be captured in high-level specific public statements, commitments, or codes of business practice to which the organisation adheres. It is generally considered good practice for signatories to formalise their RI policy(ies), meaning it is in written format and has been shared with internal stakeholders.	GENERAL	☑	☑	☑
61	Investment decision-making process	A process to make, maintain, or modify an investment (e.g. to buy, sell, or hold a security), or commit capital to an unlisted fund or other asset.	GENERAL	☑	☑	☑
62	Captive relationship	A relationship where the asset owner must work with a specific external investment manager and does not have the possibility to choose a different one. This may be the case, for instance, when the organisation and the external investment manager belong to the same group or corporation. It does not include cases where the organisation has a strong historical relationship with its external investment manager but could have freely selected a different one.	GENERAL	☑	☑	
63	Due diligence	A systematic process to assess risks associated with an investment. In a financial context, due diligence focuses on verifying the accuracy of information and exposing risks before a transaction. A human rights and environmental due diligence process aims to identify and act on negative impacts to people and planet which one or more entities is causing, contributing or directly linked to. It is an ongoing activity that investors undertake both pre- and post-investment, and across whole investment portfolios.	GENERAL	☑	☑	☑
64	Investee	An entity, such as a company, partnership, project, or physical asset, in which an investor has made an investment, or to the underlying recipient of that investment (for example, when the investment is made through a special purpose vehicle).	GENERAL	☑	☑	☑
65	Financially material	An issue is financially material if it is reasonably likely to impact the financial condition or operating performance of an investment. Materiality is contextual: the materiality of sustainability and governance-related issues depends on the investor's objectives and time horizon and the specifics of the investment. Materiality is also dynamic: the materiality of a specific sustainability and governance-related issue may change over time.	GENERAL	☑	☑	☑
66	Sustainability covenants	Binding commitments included in investment agreements to ensure portfolio companies take specific sustainability and governance related-actions or meet sustainability performance targets.	GENERAL	☑	☑	☑
67	Margin ratchets	Financing clauses that adjust the interest rate margin based on whether a borrower meets predefined sustainability and governance performance targets, incentivising improved sustainability and governance-related outcomes.	GENERAL	☑	☑	☑

68	Formal process	Process that has been agreed upon by relevant stakeholders, and where there is oversight and responsibility to carry out the said process and/or policies. A formal process to identify financially material sustainability and governance-related issues may involve: (i)Investment/security research - Identifying financially material sustainability and governance-related issues (at the issuer level and for individual securities) that may impact downside risk or equity valuations (or provide topics for engagement) (ii)Security valuation - Integrating financially material sustainability and governance-related issues into financial analyses and valuation, e.g. through internal credit assessments, or adjusting required rates of return, valuation multiples. forecasted financials and ratios, cash flows, balance sheet strength, relative ranking, relative value/spread analyses and security sensitivity/scenario analyses. (iii)Portfolio management - Including the sustainability and governance analysis in decisions about risk management and portfolio construction, e.g. through sector/geographical weightings. Meanwhile, informal processes may include consideration of sustainability and governance-related risks on an ad hoc basis or at each investment professional's discretion.	GENERAL	☑	☑	
69	Portfolio construction	Selecting assets to ensure a segregated or pooled portfolio reflects investment goals, risk tolerances, and time horizon of the client(s) invested within that portfolio. This may involve individual asset selection and allocation between asset classes.	GENERAL		☑	☑
70	Risk management	The processes the organisation uses to identify, assess, and manage risks.	GENERAL		☑	☑
71	Legally-binding agreement	These documents represent the agreement between two or more parties and where a breach may result in legal consequences. The contract can cover the fiduciary duty of external managers, service-level agreements (SLAs), side letters, investment management agreements (IMAs), limited partnership agreements (LPAs), personal contracts and more.	GENERAL	☑	☑	
72	Holding period	Time period between the purchase and sale of an investment	GENERAL	☑	☑	☑
73	Allocator	An organisation that uses external investment managers to manage assets on its behalf.	ORGANISATIONAL INFORMATION	☑		☑
74	Trade association	An organisation whose primary purpose is to promote and advance the collective interests of its members.	ORGANISATIONAL INFORMATION	☑	☑	☑
75	Execution	Services offered by wealth managers that exclude investment decision-making. Execution-only services refer to structures in which the wealth manager solely carries out the investment decisions made by the client, following the client's instructions. The investment manager offers the client a platform to make investments but do not involve advising the client.	ORGANISATIONAL INFORMATION		☑	
76	Advisory	Services offered by wealth managers that exclude investment decision-making. Refer to structures in which the wealth manager provides investment recommendations, research and suggestions to the client but leaves the the decision (or approval of a recommendation) to the client.	ORGANISATIONAL INFORMATION	☑	☑	
77	Standard setters	A standard setter is an individual or an organistion that develops and establishes guidelines, rules, or principles for a specific field, industry, or profession.	ORGANISATIONAL INFORMATION	☑	☑	☑
78	Service provider	A third-party external provider of services, excluding managing client assets. Service providers can also include organisations that have an explicit mandate to represent and conduct services on their members behalf.	ORGANISATIONAL INFORMATION		☑	☑
79	Subsidiary	An entity partly or wholly controlled by another entity, known as the parent or holding company. The parent or holding company holds a large proportion (or all) of the voting rights in a subsidiary, allowing it to exert direct or indirect control over it. If the parent or holding company holds 100% of the subsidiary's voting rights, the subsidiary is considered a wholly owned subsidiary.	ORGANISATIONAL INFORMATION		☑	
80	Thematic investing	An approach which focuses on selecting assets to access specified sustainability and governance-related trends.	RESPONSIBLE INVESTMENT STRATEGIES	☑	☑	☑

81	Negative screening/exclusions	Applying filters to a universe of securities, issuers, investments, sectors, or other financial instruments to rule them out based on poor performance on sustainability and governance-related issues relative to industry peers or specific environmental, social or governance criteria. This may include ruling out particular products, services, regions, countries, or business practices.	RESPONSIBLE INVESTMENT STRATEGIES	☑	☑	☑
82	Screening	Applying rules to a universe of securities, issuers, investments, sectors or other financial instruments to rule investments in or out, based on pre-specified criteria which might include an investor's preferences or investment metrics and are part of an investment process or reflect a client or fund mandate. When used as for incoproation of sustainability and governance-related issues, screening can be positive, best-in-class, norms-based or negative.	RESPONSIBLE INVESTMENT STRATEGIES	☑	☑	☑
83	Positive screening	Applying rules to determine whether securities, issuers, investments, sectors or other financial instruments are permissible for inclusion in an investment product or portfolio based on performance on specific environmental, social or governance criteria.	RESPONSIBLE INVESTMENT STRATEGIES			☑
84	Incorportion of sustainability and governance-related issues	Assessing, reviewing and considering sustainability and governance-related issues in existing investment practices through a combination of three approaches: integration, screening and thematic investing. Investors select amongst or combine these approaches based on their desired outcomes, including enhancing their portfolio risk-return profile, determining their investment universe, avoiding specific sectors, or driving capital towards sustainability objectives. Incorporation of sustainability and governance-related issues generally functions alongside, or in combination with, stewardship.	RESPONSIBLE INVESTMENT STRATEGIES	☑	☑	☑
85	Collaboration (Stewardship)	In the context of stewardship, collaboration refers to investors or their service providers working together, and/or with other stakeholders, to pool resources and enhance their effectiveness in pursuing their individual stewardship objectives. Collaboration can be informal, such as sharing insights on how to approach an issue with peers, as well as formal, such as collaborative engagements/initiatives or the use of an external service provider (e.g. an engagement overlay service) that pools resources from investors. For specific examples, refer to the term [Stewardship tools and activities]. In some instances, partnership along with other stakeholders enhance effectiveness in managing financially material sustainability and governance-related risks and opportunities. Investors will sometimes collaborate with others when they have independently arrived at the same conclusion. This does not include sharing investment or voting intentions, nor agreeing to act in concert in any way.	STEWARDSHIP	☑	☑	☑
86	Escalation	Escalation in the context of stewardship is the approach an investor takes if initial stewardship approaches are unsuccessful at achieving its objectives over a given time period. Escalation differs by asset class and investor type, but may involve the use of increasingly assertive stewardship tools and activities.	STEWARDSHIP		☑	☑
87	Voting principles	High-level statements which explain an investor's position on sustainability and governance-related issues and how they vote on shareholder and management resolutions at company meetings to effect progress on those issues.	STEWARDSHIP		☑	☑
88	Engagement	Interactions and dialogue conducted between an investor, or their service provider and a current or potential investee (e.g. company), or a non-issuer stakeholder (e.g. an external investment manager or policy maker) to: - improving risk-adjusted returns and/or - improving practice on an sustainability and governance related-issues and/or - making progress on sustainability outcomes and/or - improve public disclosure. In private markets, engagement also refers to investors' dialogue with management teams and/or Board of portfolio companies and/or real assets.	STEWARDSHIP	☑	☑	☑

89	Policy engagement	Investors’ direct or indirect dialogue with regulators and other policy makers to contribute to specific policy developments. Policy engagement may include, among other things: - participating in ‘sign-on’ letters; - responding to policy consultations; - providing technical input via government- or regulator-backed working groups; - engaging policy makers on the investor’s own initiative. Engagement with policy makers may be conducted individually or collaboratively by investors. It may also be conducted on behalf of investors by third-party organisations such as trade associations, think tanks, external investment managers, service providers or non-profit organisations. This definition also applies to "engagement with policy makers and/or standard setters."	STEWARDSHIP		☑	☑
90	Stewardship tools and activities	Methods through which investors fulfil their stewardship obligations. Tools and activities can be split into investee stewardship and broader stewardship, including the use of investor rights and influence to protect and enhance overall long-term value. All stewardship objectives and strategies are individual to the investor, some of whom may determine that collaborative initiatives offer an effective implementation mechanism for their individual stewardship approach. Tools and activities for investee stewardship differ by asset class, but can include: - engagement with (both current and potential) investees and assets across their value chain, - voting at shareholder meetings, - filing, co-filing, or submitting shareholder resolutions or proposals, - nomination of directors to the board, - leveraging roles on the board or on board committees, - direct oversight of portfolio companies or assets, and - litigation. Tools and activities for broader stewardship can include: - policy engagement, - engagement with standard setters, - engagement with industry groups, -negotiation with and monitoring of the stewardship actions of intermediaries in the investment chain, e.g. asset owners engaging external managers, limited partners engaging general partners, - engagement with other stakeholders, e.g. NGOs, workers, communities, and other rights-holders, and - contributions to public goods (e.g. publicly available research) or to public discourse (e.g. through the media) that supports stewardship goals, - sharing resources and providing training - engagement with lead investors, sponsors, and other key stakeholders - collaborative engagement and industry advocacy	STEWARDSHIP	☑	☑	
91	(Proxy) voting	The exercise of voting rights on management and/or shareholder resolutions to formally express approval, or disapproval, on relevant matters. This includes being responsible for how votes are cast on topics that management raises and submitting resolutions as a shareholder for other shareholders to vote on, in jurisdictions where this is possible. Investors can vote during a company meeting, such as an Annual General Meeting (AGM), or by proxy – using a person or firm, such as an investment manager, to vote on their behalf.	STEWARDSHIP	☑	☑	☑
92	Stewardship	The use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend.	STEWARDSHIP	☑	☑	☑

93	System-level risk	A catch-all term for systematic risk and systemic risk, and their components, both of which have implications for investment performance. - Systematic risks are transmitted through financial markets and economies, affecting aggregate outcomes, such as broad market returns. Because systematic risk occurs at a scale greater than a single company, sector or geography, it cannot be hedged or mitigated through diversification. - Systemic risk is the risk that an event at a particular point in time or a chronic economic condition will destabilise the financial system or lead to its collapse. An example of a sustainability-related systemic risk would be a sudden repricing of assets across the fossil fuel sector, resulting in cascading defaults that destabilise financial markets.	SUSTAINABILITY OUTCOMES	☑	☑	☑
94	Impact	The effect of organisation's actions on people and the natural environment. Impact can be positive or negative, intended or unintended, and direct or indirect. All enterprises, investors and financial institutions create positive and negative impacts.	SUSTAINABILITY OUTCOMES	☑	☑	☑
95	System boundary	A conceptual demarcation that defines the scope and boundary of a system.	SUSTAINABILITY OUTCOMES	☑		☑
96	Sustainable financial system	A system that rewards long-term, responsible investment and benefits the environment and society as a whole.	SUSTAINABILITY OUTCOMES		☑	☑
97	Sustainability outcome	The positive and negative effects of investment activities on people and/or the planet. Sustainability outcomes are understood in the context of global sustainability goals and thresholds.	SUSTAINABILITY OUTCOMES	☑	☑	☑
98	Theory of change	A credible explanation of the investor’s contributory and/or catalytic role, as distinct from the investee’s impact. Source: PRI, the CFA Institute, and the Global Sustainable Investment Alliance (GSIA)	SUSTAINABILITY OUTCOMES			☑