

A quick health check for investors on ESG maturity



Who

Asset owners and asset managers keen to understand where their ESG maturity and how to plan to move up the curve





 A quick 10 question diagnostic that gives you a maturity score

Coverage of key elements of ESG relating to Client Communications, Competency & Commitment and Risk & Investment



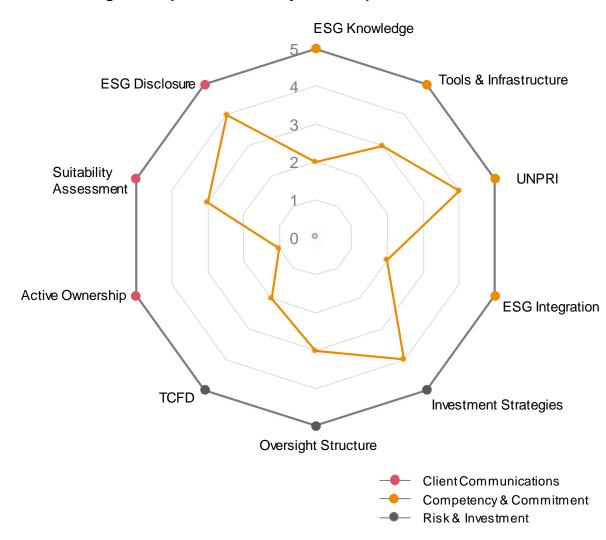
Why

Regulation: There is increasing pressure from regulators to assess financial exposure to ESG and climaterelated risk

- Changing investor preferences and needs: Sustainable investing has become more important to investors over the last five years and this trend is likely to continue
- · Growing scrutiny: The asset and wealth management industry is experiencing divestment relating to environmental and social movements, particularly around climate change

PwC's ESG Maturity Diagnostic

The 10 diagnostic questions about your ESG practices



PwC Investor ESG Maturity Model

Winning in the world of ESG





- · ESG awareness improving
- · Exclusions list in place
- Information drawn from seminars and conferences
- Understanding of G
- · Lack confidence on E and S



Established

- ESG philosophy
- · High-level policy in place
- External research and data used to respond to clients
- ESG integration
- Pockets of ESG trained staff



Mature

- · ESG integration across AuM
- Methodology in place
- ESG committee and governance
- Research from externals combined with internally generated used to inform strategic asset allocation
- Skills to make ESG judgements
- PRI signatory



Leading

- Board leadership with compensation-linked incentives
- Suitability assessment
- Active ownership discussions across all material AuM
- Continuous client engagement, measurable E and S impacts
- Market-leading performance on ESG metrics with adherence and recourse process disclosed
- Deep dive on climate: TCFD scenario analysis

Advanced

- · Board oversight
- ESG integration across AuM and applied to different products
- Active ownership
- ESG risk and return tracking, incident monitoring and watchlists
- Consistent ESG approach from firm through to investments, reviewed regularly
- Adherence and feedback loops
- Deep dive on climate: risks, opportunities and methodology used per TCFD



Let the tool take care of the data



Board-level decisions

- Reliable and robust data, compared against industry benchmarks to give confidence in decision making
- Aggregated group-level and segment breakdown specific to your business, for example covering different locations or industries
- Data analytics on year-on-year trends and progress against targets



Compliance, investor relations and corporate communications

- · Built-in stakeholder engagement and materiality assessment and results
- User-friendly and bilingual dashboards available at any time for communications with stakeholders
- Signposting for listing rule requirements and broader indicators



Example use case

- HKEx listing rule upgrades on ESG disclosures effective for financial years commencing on or after 1 July 2020
- Mandatory "comply or explain" disclosures broadened e.g. including board oversight responsibilities and climate change exposure details
- Tool helps to collect, analyse and convert your data for General Disclosures and Key Performance Indicators
- ESG report generated to address stakeholder expectations

Challenges from clients

"We need to allocate a lot of manpower to collect and consolidate ESG data each year" "We are unsure of the completeness and quality of our ESG data"

"We don't understand what our ESG data mean to us and our key stakeholders"

Data Collection

Data Analysis
(Cleansing, consolidation, conversion)

Data Insights and Disclosure

Import / Input

- Multi-location
- Multi user access

ESG Digital Report

Digital / web-based / technology-enabled

Export / Output

- Dashboard
- ESG Report

Project Management

Key features

- User-friendly interface for data input
- Simultaneous user access from multiple locations
- Collection of qualitative and quantitative ESG data
- Technology-enabled real time monitoring of project workflow

- Data validation and consolidation
- Audit trail of data to assess reporting boundaries and facilitate ESG data assurance
- Conversion of raw data into key performance indicators (KPIs) for disclosure using latest conversion factors
- Generate a customised ESG report
- Visualise data trends in an interactive dashboard with KPls tailored to your business
- Facilitate benchmarking ESG performance against industry average

Key benefits

- Streamlined and reliable data collection processes for ESG report preparation
- Centrally maintained data, transparent and sharable with multiple users across the business
- Raw data conversion into KPIs for disclosure
- Auditable and verifiable outputs to boost confidence in accuracy of ESG report
- Timely, readily available and analysed ESG data for communications with stakeholders





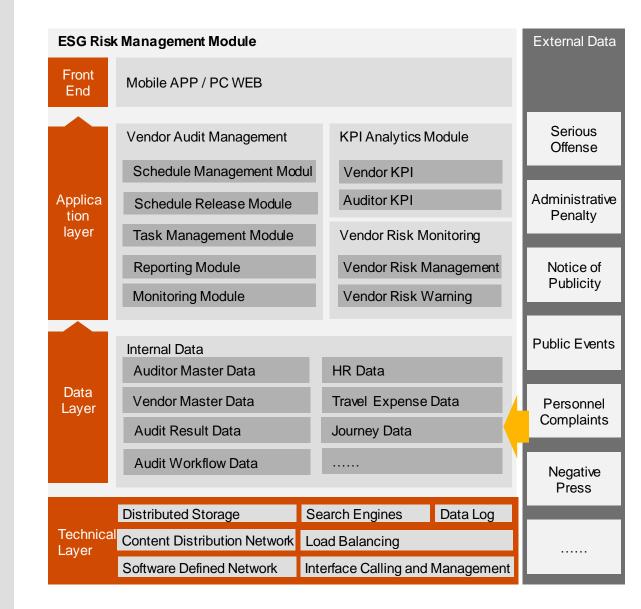
With the help of digitised enabling supply chain sustainable development, to create efficient, transparent and agile supply chain ESG innovative management mode

Scope of application

This is applicable to manufacturing, retail and consumer industries, which have a large number of supplier enterprises and need supply chain ESG risk management

Features

- Digitalise the workflow of ESG management to improve the efficiency of vendor risk management
- Obtain deep insight of each link by using digital method after collecting and analysing the data of each management process
- Integrate vendor ESG risk data with other risk data to build a vendor risk assessment and early warning system covering the whole life cycle.



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