

ESG Assessment Checklist

Area	Question	Rationale	Scoring Grid (1-3)	ESG Fund min score
Ownership	Q1: Who does the ESG Analysis?	This helps determine the degree of integration of the ESG analysis into the investment process.	0: No Ownership 1: External ownership 2: ESG Team ownership 3. Investment team ownership	2
	Q1a: Who has the final say on stock inclusion/exclusion on ESG grounds?	In tandem with Q1, helps determine conflicts and ESG importance		
Implementation	Q2: How long has the portfolio manager implemented or applied E, S & G (not just Governance) analysis?	ESG is a skill that is learnt through application.	0: No experience 1: Since fund launch* 2: Up to 3 years 3: Over 3 years *If less the 12 months track record	2
	Q2a: Which stocks have they excluded for E and/or S reasons only - give examples?	Governance is the “easy” exclusion option. Environmental and Social criteria must have the same consequences	0: No examples 1: Only provide “sector” exclusion examples 3: Examples under both E and S criteria	1
Standards	Q3: How do they verify ESG practice in the stocks they invest in?	Public disclosure is positive but inherently backward looking. Direct meetings and operation visits are critical to verify management claims and identify forward-looking ESG opportunities or threats	0: Do not verify 1: Rely on external provider reports 2: Inhouse Desk based analysis 3: Investment team visits and meetings with management	2
	Q3a: Do they provide the full portfolio and ESG analysis/rating for each holding?	Portfolio transparency is key to verifying commitment to transparency and ESG intent	0: Not provided or available 3: Provided	3

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Active Ownership	Q4: What are the results of their active engagement with companies in their portfolio?	Tangible evidence of progress is key to verifying if engagement is undertaken seriously. Results from engagement activity take time, so be aware of significant claims made by newer funds.	0: No results available or inconsistent with fund track record 1: Some selective evidence 2: Numerous examples across portfolio 3: Extensive advocacy and evidence of role and impact provided	1
	Q4a: What do they do if a stock prospect or existing holding does not respond to engagement efforts?	Over time this should result in downgrades and/or divestments from the portfolio	For material ESG issues: 0: No action taken 3: Downgrade with continual lack of engagement leading to divestment	3
Total Score	Maximum possible score: 21 Minimum expected for an ESG labelled fund: 14 Below 10: This would indicate a “high likelihood” of Greenwashing			

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