



LEA 02		Discretionary Mandate	
Individual/ internal staff engagements	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> To engage internal staff <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data 		
Collaborative engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> To engage internal staff <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data 		
Service provider engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> To engage internal staff <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data 		

RI TRANSPARENCY REPORT

2016

Harvard University Endowment

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Additional information about organisation	✓	Private							✓
OO 11	RI activities for listed equities	✓	Public							✓
OO 12	RI activities in other asset classes	✓	Public							✓
OO 13	Modules and sections required to complete	✓	Public							✓

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	RI goals and objectives	✓	Public							✓
SG 05	Main goals/objectives this year	✓	Private							✓
SG 06	RI roles and responsibilities	✓	Public							✓
SG 07	RI in performance management, reward and/or personal development	✓	Private							✓
SG 08	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09	Promoting RI independently	✓	Public				✓			
SG 10	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 11	ESG issues in strategic asset allocation	-	n/a	✓						
SG 12	Long term investment risks and opportunity	✓	Private	✓						
SG 13	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 14	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 15	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 16	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
SG 17	Innovative features of approach to RI	-	n/a							✓
SG 18	Internal and external review and assurance of responses	-	n/a							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						✓
SAM 06	Appointment considerations (LE and FI)	-	n/a				✓			
SAM 07	Monitoring processes (LE and FI)	✓	Public	✓						
SAM 08	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 09	Selection processes (PE, PR and INF)	✓	Public	✓						✓
SAM 10	Appointment considerations (PE, PR and INF)	-	n/a				✓			
SAM 11	Monitoring processes (PE, PR and INF)	✓	Public	✓						✓
SAM 12	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 13	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 14	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	-	n/a	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	-	n/a	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 13	ESG issues in index construction	🔒	n/a	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 15	Examples of ESG engagements	✓	Private		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	✓	Private		✓					
LEA 21	Securities lending programme	✓	Private		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 25	Shareholder resolutions	✓	Private		✓					
LEA 26	Examples of (proxy) voting activities	✓	Public		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓						✓
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	🔒	n/a	✓			✓			✓
PR 07	Formal commitments to RI	🔒	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓

Harvard University Endowment

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.2 Additional information. [Optional]

HMC provides investment management services to Harvard University, investing the University's endowment and related financial assets. HMC's mission is to help ensure that Harvard University has the financial resources to confidently maintain and expand its preeminence in teaching, learning, and research for future generations. Returns from the endowment support academic programs, provide financial aid, and fund scientific and medical research.

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

250

OO 03	Mandatory	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

30/06/2015

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		37	600	000	000
Currency	USD				
Assets in USD		37	600	000	000

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	<10%	0
Private equity	0	10-50%
Property	<10%	<10%
Infrastructure	0	0
Commodities	<10%	0
Hedge funds	0	10-50%
Forestry	<10%	<10%

Farmland	<10%	<10%
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish our asset class mix as per attached image [Optional].

Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1

Select your direct or indirect ESG incorporation activities your organisation implemented, for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 11.2

Select your direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We require our external managers to engage with companies on ESG issues on our behalf
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 11.3

Select your direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 12

Mandatory

Gateway

General

OO 12.1

Select internally managed asset classes where you implemented responsible investment into your investment decisions and/or your active ownership practices (during the reporting year)

- Fixed income – SSA
- Fixed income – corporate (financial)
- Fixed income – corporate (non-financial)
- Property
- Commodities
- Forestry
- Farmland
- Cash
- None of the above

OO 12.2

Select externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

- Private equity
- Property
- Hedge funds
- Forestry
- Farmland
- None of the above

OO 13**Mandatory****Gateway****General**

You will need to make a selection in OO 13.1 only if you have any voluntary modules that you can choose to report on.

OO 13.1

You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list below.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Private Equity
- Property

Closing module

- Closing module

Harvard University Endowment

Reported Information

Public version

Strategy and Governance

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Responsible investment policy

SG 01

Mandatory

Core Assessed

General

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Investment due diligence framework <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate what norms have you used to develop your RI policy.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 01.4	Provide a brief description of the key elements of your investment policy that covers your responsible investment approach [Optional].
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HMC's Sustainable Investment Policy ("SIP") is pending final approval. The SIP includes all asset classes under management. It specifies environmental and social risk factors that, if material, HMC will consider when investing. The SIP identifies roles and responsibilities and articulates HMC's approach to sustainable investment. The SIP includes HMC's due diligence process; commitment to sustainability certification for its forestry and agricultural investments; approach to active ownership; intent to collaborate with other responsible investors; and commitment to reporting on its activities.

No

SG 01.5	Additional information [Optional].
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Other policies and procedures complement the SIP and provide a holistic framework for HMC's approach to responsible investment. For example, the Advisory Committee on Shareholder Responsibility ("ACSR"), which advises the Corporation Committee on Shareholder Responsibility ("CCSR"), developed Proxy Voting Guidelines which help inform its recommendations with regard to voting on select environmental and social issues for which the committees' body of precedent provides a clear indication of a voting preference. HMC finalized a Proxy Voting Policy, which pertains to voting on governance issues. On the rare occasions when the CCSR has instructed HMC to divest from securities, the CCSR has issued a public statement describing its rationale for doing so. Although HMC's approach to responsible investment will be further detailed in the SIP when it is finalized, much of HMC's policy and strategy is already available online, including regarding due diligence and engagement.

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide URL and an attachment of the document.
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- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Screening / exclusions policy

	URL
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<http://www.harvard.edu/shareholder-responsibility-committees>

- Engagement policy
- (Proxy) voting policy
- Other, specify
- We do not publicly disclose our investment policy documents

SG 02.2	Additional information [Optional].
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Although HMC's SIP is not yet publicly available, the public can view our approach to responsible investment at this url: http://www.hmc.harvard.edu/investment-management/sustainable_investment.html.

SG 03	Mandatory	Core Assessed	General
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SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

 Yes**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

HMC's Code of Conduct requires that HMC employees act at all times in a manner consistent with their fiduciary responsibilities to HMC and exercise care that no detriment results from conflicts of interest. An employee is considered to have a conflict of interest when the individual either: (i) has an existing or potential financial or other interest which impairs or might impair the individual's independence of judgment in the discharge of responsibilities; or (ii) may receive a material financial or other benefit from knowledge of information confidential to HMC.

HMC's Conflict Policy for Directors establishes guidelines for resolving potential conflicts between the interests of HMC and those of non-employee Directors. The Policy follows three general principles: (i) HMC Directors should ensure that Harvard University receives all appropriate investment opportunities; (ii) Director involvement in a potential conflict requires advance approval by disinterested Directors; and (iii) conflicts must be reported to the HMC Board and the Harvard University Corporation. Each HMC Director is responsible for reporting any real or potential conflict of interest promptly to HMC's Chief Compliance Officer ("CCO"). This information is reported to the HMC Board on a quarterly basis.

 No

Objectives and strategies

SG 04**Mandatory****Gateway/Core Assessed****General****SG 04.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 04.2

Additional information. [Optional]

When approaching aspects of responsible investment, HMC consults from time to time with the CCSR. HMC also reviews its progress on sustainability issues with the Board of Directors on a quarterly basis.

Governance and human resources

SG 06**Mandatory****Core Assessed****General**

SG 06.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Chief Compliance Officer
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

SG 06.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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During the reporting period, the CCO had direct supervisory responsibility for the Vice President of Sustainable Investing and worked with this individual to set ESG goals and objectives for the organization, develop ESG policies and procedures, and implement ESG integration plans across the portfolio. The CCO also met regularly with Harvard University's CCSR to update the CCSR on ESG initiatives across the endowment. Additionally, the CCO prepared and delivered a quarterly sustainable investing report to HMC's Board and Chief Executive Officer.

Portfolio managers identify relevant ESG risk factors that may have a material impact on investments in their portfolios. Portfolio managers are responsible for managing these risk factors and developing plans to monitor and mitigate these risks.

SG 06.3	Indicate the number of dedicated responsible investment staff your organisation has.
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Number

1

Promoting responsible investment

SG 08	Mandatory	Core Assessed	PRI 4,5
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 08.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
--

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

HMC is the first US-based university endowment to join the PRI. HMC has promoted the PRI when engaging with other endowments as well as companies.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

HMC is a signatory to CDP's climate change program. CDP is an international non-profit organization that works with governments, public companies, and over 700 investors to drive environmental disclosure and performance of publicly listed companies. CDP urges companies to disclose information regarding greenhouse gas emissions, energy use, and the risks and opportunities from climate change, and shares that information with its signatories. One key way in which HMC supports CDP is by signing onto CDP's letters to companies each year. Additionally, in the past year, HMC's Vice President of Sustainable Investing spoke on a webinar to an audience of university endowments describing why HMC is active in CDP.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action for the 21st Century
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Sustainability Accounting Standards Board ("SASB")

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

On a quarterly basis, HMC sends informational letters to non-renewable energy companies in its listed equity portfolio requesting that they implement the SASB provisional standard. SASB has developed industry-specific sustainability reporting standards that focus on the most material issues for particular sectors. They are designed to be used in reporting to the U.S. Securities and Exchange Commission.

Other collaborative organisation/initiative, specify

UNPRI Investor Working Group on Corporate Climate Change Lobbying

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

HMC is an active member of the the PRI Investor Working Group on Corporate Climate Change Lobbying. This group urges businesses to ensure that their lobbying practices support rather than detract from action on climate change. Investors that join the group engage with companies individually and collectively on this issue.

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

SG 09

Mandatory

Core Assessed

PRI 4

SG 09.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 09.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

SG 09.3

Additional information. [Optional]

HMC has taken a number of steps to promote responsible investment practices.

First, HMC has increased its internal capacity. For example, the Vice President for Responsible Investment conducted "lunch and learns" for colleagues that focused on responsible investment, the PRI, and how ESG factors are relevant to particular asset classes.

Second, HMC has encouraged external parties to adopt responsible investment practices. For example, HMC has encouraged other endowments to join the PRI. The Vice President for Responsible Investment also carried out webinars and spoke publicly at conferences for endowments and foundations that described how ESG factors can be integrated into investment decision making.

Third, HMC urged companies, primarily through letters, to adopt the SASB reporting standards, which include a range of ESG issues.

Implementation not in other modules

SG 14

Mandatory

Descriptive

General

SG 14.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Forestry	HMC makes direct investments in timberland with the goal of improving their environmental and social management. When assessing forestry-related ESG risk, HMC reviews country risk reports and obtains tailored information on each country, including analysis of rule of law. HMC requires its timberland to come into compliance with and be certified to the Forest Stewardship Council's ("FSC") standard. The FSC is a leading global social and environmental certification standard for forestry. The standard was developed through a multi-stakeholder process and is subject to multi-stakeholder governance. FSC requires members to undergo independent audits to obtain FSC certification. HMC also carries out on-site ESG due diligence for higher risk forestry investments. Additionally, in summer 2015, HMC developed impact metrics by adapting EIRIS's accounting metrics to HMC's timberland investments.
Farmland	HMC invests directly in farmland. HMC reviews country risk reports and obtains tailored information by country, including analysis of rule of law, when assessing social and environmental risk related to its farmland investments. HMC requires its farmland investments to pursue relevant certifications that require high environmental and social performance. For example, HMC expects its farmland investments to work towards and meet certification standards such as Global G.A.P. and Sustainability in Practice ("SIP"). Global G.A.P. is a non-governmental organization that sets certification standards for sustainable agriculture. Third parties conduct the certification. SIP is a sustainable certification standard for vineyards. In addition to its certification requirements, HMC conducts other activities to enhance the sustainability of its farmland. For example, HMC carries out on-site environmental and social due diligence for higher risk investments. Additionally, in summer 2015, HMC developed impact metrics by adapting EIRIS's accounting metrics to HMC's farmland investments.

SG 15

Mandatory

Descriptive

General

SG 15.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Hedge funds	HMC applies its due diligence framework to its hedge fund investments. This includes reviewing the ESG policies and governance of its potential hedge fund investments; identifying how the fund integrates ESG factors into its investment decisions; asking how the fund communicates ESG information to limited partners; and ascertaining whether the fund is a PRI signatory.
Forestry	Nearly all of HMC's forestry assets are managed internally, with HMC retaining the right to make buy/sell decisions.
Farmland	Nearly all of HMC's farmland assets are managed internally, with HMC retaining the right to make all buy/sell decisions. In one instance, HMC holds externally managed farmland through a limited partnership interest in a commingled fund. HMC reviews periodic reporting provided by the general partner to determine how the fund integrates ESG factors into its investment decisions.

Harvard University Endowment

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Overview

SAM 01	Mandatory	Core Assessed	PRI 4
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SAM 01.1 Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- Yes, we use investment consultants
- Yes, we use fiduciary managers
- No

SAM 02	Mandatory	Gateway	General
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SAM 02.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.2 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

ESG issues are integrated into HMC's operational due diligence framework, and thus are investigated and considered at the same time as other business-related risk factors. As stipulated in HMC's Sustainable Investment Policy ("SIP"), and as part of its operational due diligence framework, HMC conducts desk-based due diligence on potential investment managers to understand how these managers address ESG issues and identify any ESG red flags. HMC assesses how external managers integrate ESG risks into their investment approach, as well as how they communicate with limited partners. HMC meets with investment managers to better understand their approach, and to ask specific questions related to ESG issues. Where appropriate, HMC includes ESG issues in the investment fund term sheet. HMC also monitors ESG performance on an ongoing basis and engages with investment managers to maintain oversight of these issues.

SAM 02.3 Additional information. [Optional]

HMC considers responsible investment factors in the selection, appointment, and monitoring of third-party managers for forestry, farmland, and hedge funds.

Listed equity (LE) and Fixed income (FI)

Overview

SAM 04	Mandatory	Gateway	PRI 1,2
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Appeal approved for this indicator

SAM 04.1	Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:
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	Active investment strategies
--	------------------------------

Active investment strategies	LE				
Screening	<input type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input checked="" type="checkbox"/>				

SAM 04.2	Additional information. [Optional]
-----------------	------------------------------------

HMC strongly encourages external managers of commingled funds to incorporate relevant material ESG risk factors, but does not mandate specific active investment strategies. HMC notifies external managers of commingled funds on a quarterly basis regarding the negative screening HMC applies to its own portfolio with respect to tobacco stocks and the securities of certain companies operating in Sudan.

HMC does require external managers operating separately managed accounts where positions are held in the name of Harvard University to comply with the University's negative screening with respect to tobacco stocks and the securities of certain companies operating in Sudan. HMC notifies such managers of these restrictions on a quarterly basis.

Selection

SAM 05	Mandatory	Core Assessed	PRI 1-6
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SAM 05.1	Indicate whether your organisation and/or your investment consultant typically do any of the following in the manager selection process for listed equity and/or fixed income.
-----------------	--

	General
--	---------

	LE				
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>				
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>				
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>				
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>				
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>				
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>				
Review the manager's responsible investment reporting to clients and/or the public, (excluding PRI)	<input checked="" type="checkbox"/>				
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>				
Discuss the type of ESG reporting you expect	<input checked="" type="checkbox"/>				
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>				
Other general aspects in your selection process, specify	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

SAM 05.2

Please describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

Appointments to HMC's Board of Directors are approved by the President and Fellows of Harvard College. Ex officio members of the HMC Board include Harvard University's President, Treasurer, and Chief Financial Officer, as well as the President of HMC. Other members of the Board, leaders in their respective fields, are selected for their investment, academic, and industry expertise, including familiarity with incorporating relevant material ESG risk factors into the investment decision-making process. One recently retired Director, Sir Ronald Cohen, brought extensive experience in ESG integration and social impact investment to the Board. Although HMC's Board and individual Directors provide oversight of and insight to HMC's management and investment teams, they do not make investment decisions for the endowment.

Senior investment professionals generally are familiar with incorporating relevant material ESG risk factors into the investment decision-making process within their asset class. During the reporting year, HMC's Chief Compliance Officer ("CCO") supervised all activities of HMC's Vice President for Sustainable Investment. The CCO has experience in identifying relevant material ESG risk factors within the HMC portfolio and works with portfolio managers to monitor and manage these risk factors.

Monitoring

SAM 07.1	Indicate whether your organisation and/or your investment consultant in the dialogue and monitoring of your external manager typically do any of the following.
----------	---

	General
--	---------

	LE				
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>				
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>				
Discuss if the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG issues	<input type="checkbox"/>				
Discuss if the manager has acted in accordance with your organisation's overall strategy on responsible investment and ESG issues	<input checked="" type="checkbox"/>				
Discuss if the manager has acted in accordance with your organisation's overall policy on responsible investment and ESG issues	<input type="checkbox"/>				
Review the manager's responsible investment reporting (excluding PRI)	<input checked="" type="checkbox"/>				
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>				
Review ESG characteristics of the portfolio	<input checked="" type="checkbox"/>				
Review the impact of ESG issues on financial performance	<input checked="" type="checkbox"/>				
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input type="checkbox"/>				
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>				
Other general aspects of your monitoring, specify	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

SAM 07.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers.
-----------------	--

We encourage our managers to consider joining responsible investment initiatives and collaborate with other investors, but these efforts are not currently sufficiently systematic for us to report them above.

Private equity (PE), property (PR) and infrastructure (INF)

Selection

SAM 09	Mandatory	Core Assessed	PRI 1-6
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SAM 09.1	In your manager selection process for the following assets, indicate whether your organisation and/or your investment consultant typically take any of the following actions.
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	General
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	PE	PR	
Used the PRI's LP DDQ during discussions with managers as part of your selection process	<input type="checkbox"/>	n/a	
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	<input type="checkbox"/>	
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input type="checkbox"/>	<input type="checkbox"/>	
Review the manager's responsible investment disclosure, excluding PRI reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assign specific weighting to ESG factors in your manager evaluation, specify in 09.2	<input type="checkbox"/>	<input type="checkbox"/>	
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PE	PR	
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PE	PR	
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 09.2	Provide additional information on how weighting of ESG factors in your manager evaluation are applied.
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HMC considers relevant material ESG risk factors in evaluating external managers on a case-by-case basis without assigning specific weighting to these factors in our evaluation.

Monitoring

SAM 11	Mandatory	Core Assessed	PRI 1-6
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SAM 11.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:
-----------------	--

	General
--	---------

	PE	PR	
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	<input type="checkbox"/>	
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review manager's responsible investment reporting excluding PRI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	<input type="checkbox"/>	
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PE	PR	
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PE	PR	
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input type="checkbox"/>	<input type="checkbox"/>	
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>	<input type="checkbox"/>	
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Communication

SAM 14

Mandatory

Core Assessed

PRI 6

SAM 14.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly

provide URL

http://www.hmc.harvard.edu/investment-management/sustainable_investment.html#esgIntegration

SAM 14.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- Yes
 No

SAM 14.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

Information	Public	Clients/beneficiaries
How responsible investment considerations are included in manager selection, appointment and monitoring processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Details of the responsible investment activities carried out by managers on your behalf	<input type="checkbox"/>	<input checked="" type="checkbox"/>
E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify below	<input type="checkbox"/>	<input type="checkbox"/>

- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 14.4 | Additional information. [Optional]

HMC publicly provides a summary of its due diligence process, including assessment and monitoring of ESG risk. This summary is available at http://www.hmc.harvard.edu/investment-management/sustainable_investment.html.

Harvard University Endowment

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities


Implementation processes

LEI 03	Mandatory	Gateway	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
----------	--

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied	
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities
--

100%

LEI 03.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
----------	---

Harvard maintains a strong presumption against divesting for non-financial reasons. From time to time, Harvard University's Corporation Committee on Shareholder Responsibility ("CCSR") addresses questions of investment (or divestment) policy. Examples include the 1989 decision to divest from companies engaged in the manufacture of tobacco products, as well as decisions in 2005 and 2006 to divest from certain companies involved in oil production activities with the Government of Sudan (which had been found to be engaging in genocide). To ensure compliance with the University's directive to divest from these securities, HMC uses negative investment screens for such securities for all of its internally managed listed equities.

HMC does not apply thematic ESG incorporation. No asset class or portfolio carries a specific ESG-themed mandate (such as clean energy). Rather, HMC seeks to integrate relevant material ESG risk factors into its investments. HMC believes integration (rather than thematic incorporation) better suits the investment mandate of Harvard University and does not unduly restrict the investment universe.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
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LEI 06.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

The CCSR determines the exclusionary screens that HMC should apply to its assets. Currently, HMC negatively screens companies involved in the manufacture of tobacco products, and certain companies involved in oil production activities with the Government of Sudan (e.g., PetroChina Company Limited).

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2 Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Harvard maintains a strong presumption against divesting for non-financial reasons. From time to time, the CCSR addresses questions of investment (or divestment) policy. Occasionally, the CCSR seeks advice on such questions from the University's Advisory Committee on Shareholder Responsibility ("ACSR"). Proposals on negative screening are addressed by the CCSR on a case-by-case basis as they arise. On the rare occasions when a decision is made in favor of a negative screen, appropriate notice is given to the relevant investment managers, and the screens are publicly disclosed. Any changes are made public. Information about the ACSR and CCSR, and about these exclusions, is available here: <http://www.harvard.edu/shareholder-responsibility-committees>.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG issues

LEI 10

Mandatory

Core Assessed

PRI 1

LEI 10.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues	
	Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <ul style="list-style-type: none"> <input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
	Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <ul style="list-style-type: none"> <input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
	Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <ul style="list-style-type: none"> <input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 10.2	Additional information. [Optional]
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HMC portfolio managers identify and research ESG risk factors that are relevant and material to their investment decisions on a case-by-case basis.

Communication

LEI 17	Mandatory	Core Assessed	PRI 2,6
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LEI 17.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- We disclose it publicly

Provide URL

<http://www.harvard.edu/shareholder-responsibility-committees>

LEI 17.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEI 17.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

LEI 17.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 Biannually
 Annually
 Less frequently than annually
 Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 17.7

Additional information. [Optional]

The CCSR provides information regarding its exclusions on its website. HMC reports to the CCSR on its ESG incorporation efforts at least quarterly through regularly scheduled meetings.

Harvard University Endowment

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Mandatory	Core Assessed	PRI 2
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LEA 01.1 Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2 Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4 Provide a brief overview of your organization's approach to engagement

We articulate our approach to engagement in our Sustainable Investment Policy ("SIP").

HMC's engagement strategy for listed equity consists of two primary elements:

1) Informational engagement: HMC sends letters encouraging action and disclosure on climate change to non-renewable energy companies in which it holds stock. HMC issues additional letters on a quarterly basis to reflect its current investment portfolio. The first letter explains Harvard University's concerns regarding climate change and belief that companies should identify climate risks and report on them, and also discusses the University's support for the Sustainability Accounting Standards Board ("SASB") non-renewables standard. The second letter asks companies to identify how they identify material sustainability factors, including climate change, and how they plan to report on these in public filings. HMC also asks companies to consider adopting SASB as one way to gather and report on such information.

2) Involvement in collaborations: HMC is a member of CDP and the PRI Investor Working Group on Corporate Climate Change Lobbying. HMC is working with other investors to collectively convey to world leaders and companies the need for action on climate change.

No

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries these interactions out.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03

Mandatory

Core Assessed

PRI 2

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography/market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In reaction to ESG impacts which has already taken place
- As a response to divestment pressure
- Other, describe

No

LEA 03.3 Additional information. [Optional]

We prioritize engagement based on ESG risks that are likely to have a direct impact on business operations and shareholder value, influence risk management oversight and disclosure practices, and ultimately impact the value of our holdings. For example, HMC engages with non-renewable energy companies in its listed equity portfolio. The purpose of this engagement is to inform these companies of Harvard's perspective about the risks of climate change and request that these companies incorporate standards set by SASB into public filings and management practices.

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- No

LEA 04.3 Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes

LEA 04.4 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities.

- Define timelines of the milestones and goals
 - Tracking, monitoring progress against defined milestones and goals
 - Establish a process for when the goals are not met
 - Revisit and revise if necessary goals on continuous basis
 - Other, please specify
- No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

LEA 05.2

Describe the criteria used to identify and prioritise collaborative engagements

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In reaction to ESG impacts which has already taken place
- As a response to divestment pressure
- Other, describe

No

LEA 06

Mandatory

Core Assessed

PRI 2

LEA 06.1

Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 06.2

Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- No

LEA 06.3

Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

Yes

LEA 06.4 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities.

- Define timelines of the milestones and goals
 - Tracking, monitoring progress against defined milestones and goals
 - Establish a process for when the goals are not met
 - Revisit and revise if necessary the goals on continuous basis
 - Other, please specify
- No

LEA 06.5 Additional information. [Optional]

HMC has begun to undertake other efforts to assess the performance of companies and whether their performance changes due to HMC's engagement efforts. HMC joined the PRI Investor Working Group on Corporate Climate Change Lobbying in spring 2015. This initiative seeks to prompt companies to take action on climate change, including through lobbying actions that are consistent with the goal of preventing climate change. Working with other companies in the initiative, HMC developed an evaluative framework that it will use to assess companies. HMC will start to implement this evaluative framework and other activities related to the initiative in the next reporting year. Background on the initiative is available at the following websites: <http://investorsonclimatechange.org/portfolio/pri-investor-working-group-corporate-climate-lobbying/> and <http://www.unpri.org/whatsnew/investors-call-for-improvements-in-company-lobbying-on-climate-change/>. The objectives of the group can be found here: http://www.unpri.org/wp-content/uploads/Investor-Expectations-on-Corporate-Climate-Lobbying_en-GB.pdf.cently.

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway	PRI 2
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LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

Outputs and outcomes

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1	Indicate if your engagement involved:
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- Letters to outline the engagement and the objectives
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
- Roadshows
- ESG research
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

Communication

LEA 16	Mandatory	Core Assessed	PRI 2,6
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LEA 16.1	Indicate whether your organisation proactively discloses information on its engagements.
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- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 16.5	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
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	Engagement information disclosed
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- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 16.6

Indicate how frequently you typically report engagements information

- Disclosed continuously (prior to and post engagements)
 - Disclosed quarterly or more frequently
 - Disclosed biannually
 - Disclosed annually
 - Disclosed less frequently than annually
 - Ad hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 16.8

Additional information. [Optional]

HMC continually discloses information regarding engagement to Harvard University, its beneficiary. HMC does so through meetings with the Corporation Committee on Shareholder Responsibility ("CCSR") eight times per year. HMC also discloses information regarding engagement to the HMC Board of Directors on a quarterly basis.

(Proxy) voting and shareholder resolutions**Overview****LEA 17****Mandatory****Gateway****PRI 1,2,3****LEA 17.1**

Indicate whether your organisation has a formal voting policy.

- Yes

LEA 17.2

Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Securities lending process
- Other, describe
- None of the above

LEA 17.4	Provide a brief overview of your organization's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-----------------	--

The CCSR determines how HMC will cast its proxy votes related to environmental and social proxy proposals. The Advisory Committee on Shareholder Responsibility ("ACSR") submits recommendations to the CCSR regarding how HMC should vote, relying on a rich set of precedent to help inform those recommendations. The ACSR has developed Proxy Voting Guidelines which also help to inform its recommendations with regard to voting on select environmental and social issues for which the committees' body of precedent provides a clear indication of a voting preference.

HMC determines how to cast votes related to governance. In 2015, HMC conducted a formal review of its approach to proxy voting on governance. As a result of this review, HMC developed a Proxy Voting Policy for governance-related proposals. The policy is being integrated into HMC's new automated research and proxy voting system, and will help HMC more consistently vote in a manner that supports its governance objectives.

No

Process

LEA 18	Mandatory	Descriptive	PRI 2
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LEA 18.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients' requests or policy
 - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
 - We hire service provider(s) that make voting decisions on our behalf.

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - Votes for companies we are engaging with
 - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 22.2	Additional information. [Optional]
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The CCSR, which determines how HMC votes on social and environmental proposals, publishes an annual report that is public and explains the rationale for the votes. On occasion, the CCSR may write directly to a company to convey further information about its views on a particular issue.

Outputs and outcomes

LEA 23	Mandatory	Core Assessed	PRI 2
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LEA 23.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

14

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 23.3	Additional information. [Optional]
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HMC votes all of its U.S. shares. Historically, it has not voted on ballots related to its foreign shares. As a result of its review of its approach to proxy voting, and as part of its new strategy for voting proxies, HMC has cast all of its votes since September 2015.

LEA 26	Voluntary	Descriptive	PRI 2
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LEA 26.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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Add Example 1

Topic or ESG issue	Reporting on how company monitors herbicide usage with seed products.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The shareholders requested "a comprehensive report by a committee of independent directors of the Board on how [the company] is monitoring herbicide utilization and grower compliance with best practices and adherence to 'technology use agreements' (TUAs) with its seed products."
Scope and Process	The ACSR and CCSR took note of the concern that the company's current level of disclosure regarding weed management systems combining herbicides and genetically engineered crops is inadequate, and of the effect a similar proposal at another company had in encouraging that company to publicly disclose more regarding grower compliance. The committee also did not see the proposal as posing an undue burden to the company, as it already collects this information.
Outcomes	The CCSR voted in favor of the proposal, following the ACSR's recommendation.

Add Example 2

Topic or ESG issue	Reporting on practices to minimize the impacts of hydraulic fracturing on water resources and communities.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The proposal asked a company to: "report to shareholders via quantitative indicators on all shale plays where it is operating, by September 30, 2015, and annually thereafter, the results of company policies and practices, above and beyond regulatory requirements, to minimize the adverse water resource and community impacts from the company's hydraulic fracturing operations associated with shale formations...report annually to shareholders, using quantitative indicators."
Scope and Process	In considering these proposals, the ACSR and CCSR considered factors such as company lobbying activity against disclosure about fracking, current company disclosure on its fracking operations, the lack of company information about chemical additives used in the injection process, health and regulatory scrutiny of those additives, and the possibility of long-term regulatory and litigation risks. The committees also noted the company's current disclosure practices, and voiced support for encouraging the company to approach fracking with a strong emphasis on promoting safety and avoiding reputational risk.
Outcomes	The CCSR voted for the proposal, in keeping with the ACSR's recommendation.

Add Example 3

Topic or ESG issue	Reporting on environmental and social risks related to the palm oil supply chain.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The proposal called for the company's Board of Directors to issue an annual public report regarding the company's efforts to limit the impact of its palm oil supply chain on deforestation and human rights.
Scope and Process	The ACSR and CCSR noted that the company has made commitments to deforestation and good labor practices with regard to palm oil, but has nevertheless faced criticism. The CCSR determined that the proposal would prompt the company to continue mitigating the impacts of its palm oil supply chain, and might help protect its reputation.
Outcomes	The CCSR voted in favor of the proposal, following the ACSR's recommendation.

Add Example 4

Topic or ESG issue	Disclosure of political contributions.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The committees considered 19 proposals calling on companies to authorize the preparation of a report, updated annually, disclosing: "(1) Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications; (2) Payments by [Company] used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient; (3) [Company]'s membership in and payments to any tax-exempt organization that writes and endorses model legislation; (4) Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 and 3 above."
Scope and Process	The ACSR and CCSR considered this resolution in regard to 19 companies, noting their strong past precedent of support in recent years for identical and very similar proposals and the emerging view that such disclosure is increasingly considered a best practice. The committees also cited concerns about campaign financing raised by the Supreme Court's 2010 decision in Citizens United v. Federal Election Commission, in which the Court declared unconstitutional certain limitations on the funding by corporations and unions of political advertisements and other forms of political lobbying. The committees also remarked upon the value of disclosure to help shareholders determine whether a corporation's use of assets on political contributions is in shareholders' best interests, and the support by some companies of trade organizations whose public positions on issues are at odds with publicly stated company positions on the same issues.
Outcomes	The CCSR voted in favor of the proposals, following the ACSR's recommendations.

Add Example 5

Topic or ESG issue	Adoption of goals to cut greenhouse gas emissions.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The proposal requested that a company adopt absolute, quantitative, and time-bound goals for reducing greenhouse gas emissions and report to shareholders regarding the same.
Scope and Process	The CCSR noted that the company seemed to be lagging behind its peers regarding setting greenhouse gas reduction goals, according to an assessment by Ceres, a well-known non-profit that advocates for sustainability leadership. The CCSR also looked at its precedent, in which it considered whether the companies had been forthcoming regarding greenhouse gas emissions reduction goals.
Outcomes	The CCSR voted in favor of the proposal, following the ACSR's recommendation.

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Communication

LEA 27

Mandatory

Core Assessed

PRI 2,6

LEA 27.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://www.harvard.edu/shareholder-responsibility-committees>

LEA 27.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 27.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 27.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 27.8

Additional information. [Optional]

The CCSR's public annual report discloses all decisions made regarding social and environmental votes during the regular proxy season and explains the rationale. HMC's decisions regarding governance votes are not public, although they are communicated to the CCSR.

Harvard University Endowment

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

- Yes
 No

PR 05.3 Additional information. [Optional]

While HMC does not have a formal RPI policy, it has promulgated detailed Real Estate Guidelines that include ESG factors that HMC's joint venture partners are expected to follow for HMC's direct real estate investments. Joint venture partners report to HMC on ESG factors on a quarterly basis. This disclosure informs HMC's discussions with its third-party managers regarding any necessary remediation of ESG issues.

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 08.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

As noted previously, HMC conducts ESG due diligence on its potential joint venture partner. This includes a consideration of the potential joint venture partner's ability to manage ESG issues.

HMC also conducts ESG due diligence on the property itself. For example, we hire third-party experts to conduct environmental evaluations of the property, and also consider potential labor-related issues that may be associated with the property. We identify any existing litigation or regulatory violations associated with the property, which could encompass both environmental and social concerns.

If this initial due diligence identifies any material ESG risks, we consider how we can eliminate or mitigate this risk, and factor this into our investment decision. For example, we would consider energy inefficiencies, and how these can be improved.

- No

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1 Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

ESG issues

Environmental

List up to three typical examples of environmental issues

Energy consumption and efficiency

Environmental investigations of building materials (includes potentially hazardous materials such as mold, lead, and asbestos)

Flood zone and seismic concerns

Social

List up to three typical examples of social issues

Health and safety evaluations

Americans with Disability Act compliance

Labor relations challenges

Governance

List up to three typical examples of governance issues

Joint venture partner's property due diligence and approval processes

Joint venture partner's cash management process

Joint venture partner's anti-money laundering and securities policies

Selection, appointment and monitoring third-party property managers

PR 13

Mandatory

Core Assessed

PRI 4

PR 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 13.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Contractual requirements when appointing property managers includes ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Monitoring of property managers covers ESG responsibilities and implementation
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers

PR 13.3

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

HMC considers ESG issues when selecting and appointing third-party property managers, primarily by conducting due diligence on their ability to manage ESG issues. We also monitor their ESG performance. For example, third-party property managers are contractually obligated to provide HMC with monthly reports that address a variety of ESG issues, such as energy management, water use, health and safety, labor relations, and tenant relations. HMC reviews this information and engages with the third-party property manager as necessary to mitigate concerns.

PR 13.4

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

Our third-party property managers are contractually required to comply with environmental, labor, and landlord-tenant laws. They also oversee day-to-day efforts to implement environmental improvements and manage social issues at the properties.

No

Post-investment (monitoring and active ownership)

Overview

PR 14**Mandatory****Gateway****PRI 2****PR 14.1**

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

PR 14.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
----------------	--

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 14.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]
----------------	--

HMC's third-party property managers take a number of steps to manage ESG issues during post-investment activities. As noted previously, third-party property managers are required to report to HMC on ESG issues on a quarterly basis. Third-party property managers also engage with a variety of regulatory bodies, as well as with tenants, to ensure that ESG issues and plans are fully addressed. HMC encourages its joint venture partners to implement energy efficiency measures at our properties. These include, but are not limited to: multiple strategies to diminish water use; numerous energy efficiency initiatives; use of local and organic food vendors; provision of affordable housing; anti-bribery efforts; and diminishing packaged waste. At some properties, third-party property managers use social media and signage to encourage tenants or patrons to improve their environmental or social footprint. Development investments are encouraged to utilize sustainable building materials, and several development projects engage LEED consultants for advice on best practices.

No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
----------------	--

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	--

ESG issues

- Environmental
- Social
- Governance
- We do not set and/or monitor against targets

PR 15.3	Additional information. [Optional]
---------	------------------------------------

HMC requires third-party managers to report on ESG issues on a quarterly basis. HMC uses this information to monitor ESG issues and has not set formal ESG KPIs. HMC monitors each third-party manager's progress on ESG issues and discusses ESG issues at joint venture meetings when applicable.

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
---------	--

- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1	Indicate if your organisation proactively discloses ESG information on your property investments.
----------------	---

- Disclose publicly
- Disclose to clients/beneficiaries only

PR 23.2	Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.
----------------	---

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
- No property specific reporting standards are used

PR 23.6	Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.
----------------	--

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

PR 23.7

Indicate your organisation's typical frequency of disclosing ESG information to the your clients/beneficiaries.

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/when requested, specify
- No proactive disclosure to the public or to clients/beneficiaries