

Rating criteria for signatories with better disclosures 2023

Item	Category	No.	Evaluation criteria	Scoring reference		
				Evaluation area A 3 points	Evaluation area B 2 points	Evaluation area C 1 point
Statement of policies and compliance	Stewardship policies	1	In the stewardship policies, a description of how an institutional investor has considered its role in the investment chain, the nature of its business and how it protects the rights and interests of its customers and beneficiaries.	Full description in the guidelines of its role in the investment chain, the nature of its business and how it protects the rights and interests of its customers and beneficiaries	Description of only one or two of these items, such as the nature of the business	No relevant description
		2	Implementation of stewardship action items, <i>e.g.</i> , the frequency and methods it uses in devoting attention to the invested company, interacting with its management, participating in its shareholders' meetings, voting, etc.	Full description in the guidelines of stewardship action items	Description of only one or two of these items	No relevant description
		3	Indication of whether or not the investment process integrates ESG assessments and the extent to which ESG -related indicators are used.	Full description of how ESG is integrated into the investment decision-making process, along with the adoption of ESG, such as the content and standards of the database and ESG indicators	Description of ESG integration into the investment decision-making process	No relevant description

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				For example, explain the content and standards of the database and ESG indicators		
		4	Description of how risk assessment of the invested company is conducted, including ESG-related risks and opportunities; and an explanation of the evaluation method.	Full description of the risk assessment method; mention must be made of ESG-related risks and opportunities	Description of the risk assessment method	No relevant description
		5	In the stewardship policies, description of the method and frequency of disclosure of the status of stewardship.	Formulated disclosure method and frequency	Only frequency is specified	No relevant description
	Conflicts of interest policy	6	Description of the purpose and content of the conflict of interest management policy.	Disclosure of the conflict of interest policy and description of its purpose and content completely	Only a declaration of formulating a conflict of interest policy	No relevant description
		7	Full description of conflicts of interest, including but not limited to conflicts of interest between the company and clients, the company and employees, employees and clients, between the company	Full description of conflicts of interest, including but not limited to conflicts of interest between the company and clients, the company and employees, employees and clients, between the company	Only describe the object of the conflicts of interest, no other details	No relevant description

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			and other investee companies, between the company and its affiliated companies, etc.	and other investee companies, between the company and its related companies, etc.		
		8	Description of conflict of interest management methods, including the implementation of educational promotions, information control, firewall design, division of powers and responsibilities, detection, supervision and control mechanisms, reasonable salary systems and remedial measures, etc. If an institutional investor has a major conflict of interest incident, it should also summarize the reasons for the incident and how to deal with it.	Full description in the guidelines of management methods, institutional investors should also give examples of possible conflicts of interest incidents to illustrate how relevant management methods can effectively avoid conflicts of interest. If an institutional investor has a major conflict of interest incident, it should also summarize the reasons for the incident and how to deal with it.	Description of only one or two management methods in the guidelines, and lack of examples. If an institutional investor has a major conflict of interest incident, it should also summarize the reasons for the incident and how to deal with it	No relevant description
	Voting policy	9	Voting policy describes the principle of voting at the shareholders' meeting (Physical, Video or E-Voting) and the voting rights exercise threshold set after considering cost-effectiveness. For example, only	Full description of principles and thresholds for exercising voting rights	Only a description of the threshold for voting rights	No relevant description

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			those who hold a certain ratio or number of shares can exercise voting rights.			
		10	Voting policy describes evaluation of the proposals of each shareholder meeting before institutional investors exercise their voting rights; when necessary, understand and communicate with the management before the shareholders' meeting.	Full description of the policy and how shareholders' meeting proposals are evaluated and whether or not to communicate with management before the shareholders' meeting	Only a description of how shareholders' meeting proposals are evaluated	No relevant description
		11	Voting policy defines the types of proposals or major proposals that institutional investors in principle can support, oppose or only express abstention, and lists the relevant proposals and explains the reasons.	Voting policy defines the types of proposals or major proposals that in principle can be supported, opposed or only expressed abstention, and lists the relevant proposals and explains the reasons	Voting policy defines the types of proposals that in principle can be supported, opposed or only expressed in abstention, and lists the relevant proposals.	No relevant description
		12	Voting policy statement that indicates institutional investors do not absolutely support proposals submitted by management, as well as motives	There is a statement and description of opposition motives and standards	There is only a statement without opposition motives or standards	No relevant description

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			and standards for opposing a proposal.			
Practice and disclosure	Stewardship reporting elements	13	Stewardship report describes the reporting period (such as that year) and the status of institutional investors' internal investment of resource implementation into stewardship.	Visible resources by institutional investors in terms of statistics on resources spent in terms of manpower, money, time, etc. or stewardship management team structure diagram, and more.	Only a description of one such item, such as number of people on the team	No relevant description
		14	Stewardship report provides stakeholder contact channels to customers, beneficiaries, invested companies, other institutional investors, and others.	Different stakeholders have different contact channels	Stewardship report provides contact channels	No relevant description
		15*	Evaluates the sustainability performance of the investee companies in the investment portfolio by appropriate methods or measurement indicators, and discloses the status of the investment portfolio rating.	The Stewardship Report describes the sustainability evaluation methods of the investee companies in the investment portfolio, such as the use of internal evaluation methods by institutional investors, or the results of external evaluation agencies, and reveals the current year	The Stewardship Report describes the sustainability evaluation methods of the investee companies in the investment portfolio, such as the use of internal evaluation methods by institutional investors, or the results of external evaluation agencies, and	No relevant description

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				and previous year evaluation status of the investment portfolio, and explains the difference	reveals the current year and previous year evaluation status of the investment portfolio	
		16	The Stewardship Report provides the Statement of compliance with Stewardship Principles and an explanation of any inability to comply with a portion of the Principles and an evaluation of the effectiveness of stewardship activities, and reveals the approval level of the Stewardship report.	Includes a statement of compliance and an explanation of any inability to follow a portion of the Principles and also includes an evaluation of the effectiveness of stewardship activities, and reveals the approval level of the Stewardship Report and how it has been reviewed by internal auditor or legal compliance departments	Includes a statement of compliance and an explanation of any inability to follow a portion of the Principles and also includes an evaluation of the effectiveness of stewardship activities	Only a statement of compliance
	Implementation and disclosure of engagement	17*	Regular reports on engagement activities, and relevant summary data, focuses on the disclosure of ESG issues and classification by ESG aspect.	Discloses statistical data on ESG issues discussed with investee companies (including but not limited to in-person visits, telephone interviews, e-mails, etc., but excluding simple participation in legal meetings and shareholder meetings), the content of	Provides data on engagements, including number of visits, e-mails, number of interactions with the invested company, etc.	No relevant description

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				discussions must be ESG issues, and disclosed The number of engagements on ESG aspects		
		18	Stewardship report describes how the necessity of interaction and engagement with an invested company evaluated.	Description of evaluation method, including issues and reasons	Only a brief description of evaluation	No relevant description
		19	Stewardship report describes whether the implementation of interaction and engagement meets its stewardship policies.	Description of implementation status and policy content	Policy content only	No relevant description
		20	Stewardship report describes content of interaction and engagement pertaining to issues, reasons and scope of interaction with the invested company.	Fully describes content of interaction and engagement pertaining to issues, reasons and scope of interaction	Only one of these items	No relevant description
		21	Stewardship report describes the impact on the invested company after interaction and engagement.	Provides a case description of the impact	Only indicates that the invested company has been affected without any elaboration	No relevant description

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		22*	Stewardship report describes whether interaction and engagement meet the objective, and tracking expected follow-up actions or further steps and the impact on future investment decisions.	Describes whether interaction and engagement meet the objective, and an estimated schedule of follow-up actions or further steps , and impact on future investment decisions	Only a description of intended follow up with no specific plan	No relevant description
		23	Stewardship report describes cooperative behavior policies and cases with other institutional investors, as well as related advocacy organizations involved in ESG issues to jointly expand and exert the influence of institutional investors.	Discloses specific cases of cooperating with other institutional investors to engage with investee companies	Disclose policies and examples and also includes cases of participation in related organizations on ESG issues	No relevant description
	Vote disclosure	24*	Attendance in person or by proxy to the shareholders' meeting of the invested company.	Institutional investors attend the shareholders' meeting physically or via video, and express their opinions at the shareholders' meeting. After the meeting, disclosing the speech records, issues of concern and other relevant information	Full description of Attendance in person or by proxy to the shareholders' meeting of the invested company	No relevant description

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		25	In a reader-friendly way, such as revealing voting records by ESG topics and graphs.	Disclosure of voting summary based on charts or ESG topics	Voting records disclosed only in a single form	No disclosure of voting records
		26	Explains if and how proxy research and proxy voting services are used, and disclose usage and record.	Full description of any use of proxy research and proxy voting services as well as usage and records. If they are not used, there should be a description of reasons for not using, such as that they are responsible for the internal research team	Describes the fact that they are used but gives no relevant usage record, or not used but not explain reason	No relevant description
		27	Describes reasons for approval, opposition, or abstention of listed major proposals, and describes further steps to be taken in the future if not satisfied with the result.	Describes factors or procedures to judge listed major proposals and discloses the reasons for approval, opposition or abstention, and describes further steps to be taken in the future if not satisfied with the result.	Describes factors or procedures to judge listed major proposals and describes reasons for opposing proposals	No relevant description
		28*	Discloses voting status on a company-by-company and case-by-case basis and describes reasons for opposing proposals.	Discloses voting records company-by-company and case-by-case and describes reasons for opposing votes.	Discloses voting records company-by-company and case-by-case	Only aggregate disclosure of voting status

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	Website disclosure	29	Statements of compliance with stewardship principles, stewardship reports, and annual voting records at shareholders' meetings can all be viewed on the same web page.	There is a dedicated stewardship web page and related content consolidated on the same webpage or provides related links on the same webpage	Related content is all on the same page, but it is not a dedicated stewardship web page	The information is difficult to find on different pages
		30	Stewardship-related links are found on the home page of the institutional investor website, and stewardship-related pages can be found quickly and easily.	There are stewardship page links on the home page or sitemap	There are stewardship pages, but links are not easy to follow from the home page	There are only individual compliance statements or a file of voting records with no summary page

*means that rating criteria is “extra point type”. Evaluation area A will get 4 points.

Additional point(s) reduction items	If institutional investors are involved in major matters such as stewardship violations or sanctions by the authority, additional point(s) may be deducted after discussion by the advisory committee.
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