

Practical Application for Reporting

THIRD QUARTER 2016


Environmental, Social, and Governance (ESG) Analysis through Compliance Monitor

Compliance monitoring enables institutional investors to effectively monitor and detect specific elements of risk, such as concentration and exposure, by overseeing their investment managers' adherence to predefined investment objectives.

In addition, many organizations now mandate responsible investing practices as a way to enhance long-term performance and reduce risk while generating social and environmental benefits. To help support this trend, BNY Mellon's Compliance Monitoring service includes Environmental, Social, and Governance (ESG) screening capabilities to help track and analyze these exposures within a portfolio. Our service provides exceptional flexibility when monitoring investment guidelines for portfolio composition and generates comprehensive reports on manager compliance with these guidelines.

This sample **Exceptions Only Detail** report shows a guideline that prohibits investment in companies with a history of controversies regarding their climate change practices. The results indicate that there were 8 exceptions to the guideline, including 3 new failures. The report expands on the exceptions, showing the specific company names, security identifiers, the ESG score as well as the portfolio exposure.

To learn more about BNY Mellon's Compliance Monitoring solution and our ESG-related capabilities, please contact your Global Risk Solutions Consultant.











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Prohibited Investments

ESG Screens: Climate Change
Report Details

Guideline: Climate Change (8 Exceptions)

A score of 2 or less indicates multiple very severe controversies. Factors include a history of GHG-related legal cases, widespread impacts due to corporate GHG emissions, resistance to improved practices, and criticism by third-party observers. (Guideline # 113948 - Applies to Individual Securities)

Asset Description	Asset Number	Score - Env Energy & Climate Chng	Market Value	Market Value (%) of Total Portfolio	
ALUMINA LTD	AA6954983	2	588,301.45	0.0019	
ENGIE SA	EFB0C2CQ3	2	2,659,371.00	0.0085	
GLENCORE PLC	EXB4T3BW4	2	2,714,702.66	0.0087	
ORIGIN ENERGY LTD	AA6214867	2	504,736.91	0.0016	
RIO TINTO LTD	AA6220104	2	1,026,109.20	0.0033	
RIO TINTO PLC	EX0718877	2	4,823,684.95	0.0154	
SASOL LTD	KS6777459	1	1,313,899.08	0.0042	
WOODSIDE PETROLEUM LTD	AA6979725	2	1,576,179.04	0.0050	

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