

# Diversity, equity, and inclusion in asset management: Necessary measures for progress.



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## SNAPSHOT

- Broader organizational diversity information isn't widely or consistently disclosed.
- There are few options for asset owners looking to invest in products offered by firms with ownership diversity at both the gender and race/ethnicity level.
- In our view, the more we know about a manager's products, the better placed we are to include that manager in our searches, and we intend to continue promoting more disclosure within the investment community.

**Diversity, equity, and inclusion (DEI) has become a huge focus within the asset management industry due to a general shift in social values—and because there have been few advancements made in the space. One of the key challenges in making advances is lack of data and disclosure within the industry.**

In this paper, we look at industry data to draw observations and perspectives on:

- **the state of DEI in the asset management industry**
- **implications for asset owners in general**
- **what this means for SEI and our clients given our underlying investment philosophy and process**
- **and what may lie ahead for the industry.**

## Coming into focus: Industry efforts accelerating.

**Industry-related professional organizations have begun to take action on DEI issues.**

Among the biggest indicators of just how seriously the investment industry has become about diversifying its intellectual capital is the CFA Institute's publication of its Diversity, Equity & Inclusion Code (USA & Canada) in 2021, outlining a set of standards to improve diversity within the industry.

Another sign of heightened focus on diversity is the formation of the Institutional Investing Diversity Cooperative (IIDC), where SEI is a founding member. IIDC comprises a group of more than 25 institutional investment organizations that pledged to promote greater diversity in the industry by advocating for access to representative ownership and investment professional data.<sup>1</sup> SEI additionally supports external programs such as Stepping Stones (which aims to empower underserved youth in the U.S. by providing positive adult role models, leadership experiences and skills necessary for success<sup>2</sup>) and 10,000 Black Interns (which extends opportunities to young black people for paid professional experiences in order to improve representation across sectors<sup>3</sup>).

<sup>1</sup> <https://www.iidcoop.org/about>

<sup>2</sup> <https://www.steppingstonesrfv.org/about-us>

<sup>3</sup> <https://www.10000blackinterns.com/about>

## **CFA Institute's Diversity, Equity & Inclusion Code (USA & Canada)**

### **Principle 1: Pipeline**

We commit to expanding the diverse talent pipeline.

### **Principle 2: Talent Acquisition**

We commit to designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices.

### **Principle 3: Promotion and Retention**

We commit to designing, implementing, and maintaining inclusive and equitable promotion and retention practices to reduce barriers to progress.

### **Principle 4: Leadership**

We commit to using our position and voice to promote DEI and improve DEI outcomes in the investment industry. We will hold ourselves responsible for our firm's progress.

### **Principle 5: Influence**

We commit to using our role, position, and voice to promote and increase measurable DEI results in the investment industry.

### **Principle 6: Measurement**

We commit to measuring and reporting on our progress in driving better DEI results within our firm. We will provide regular reporting on our firm's DEI metrics to our senior management, our board, and CFA Institute.

The growing industry attention on DEI has caused investment consultants and wealth-management platforms to launch diversity initiatives that promote certain quotas or hiring efforts, targeting specifically sub advisors or money managers. Large institutional investors such as the Ford Foundation have committed capital to underrepresented or "emerging" managers.<sup>4</sup>

At SEI, we incorporate diversity into our own research process, with a focus on cognitive diversity (different ways of thinking) and the benefits it brings to decision making—a critical component of portfolio management. In our Diversity and Inclusion in SEI's Manager Research Process paper, written in August 2021, we outline how we do this.

In order for diversity in the industry to truly improve, we believe that DEI needs to be addressed specifically and with intent.

## **How do you measure DEI?**

Now that industry standards are being promoted and organizations have taken action to improve DEI, the question is how to accurately measure progress. One of the challenges in doing so is that the types of data used to track diversity and inclusion are self-reported by investment managers on a voluntary basis.

For this paper, we analyzed manager data from eVestment, a global provider of institutional investment data, which started collecting diversity data on January 4, 2021.

Our analysis covered the following asset classes as of November 18, 2021<sup>5</sup>:

- Equity: U.S. large cap; U.S. small and small/mid-cap; global; developed markets excluding the U.S.; and emerging markets
- Fixed income: U.S.; global; emerging markets; and municipal

Looking at the proportion of diverse individuals (women and/or racial/ethnic minority) in leadership roles, we classified firm ownership and portfolio management teams as one of the following:

- Majority (>=51% diverse individuals)
- Significant minority (50%-21% diverse individuals)
- Minority (<=20% diverse individuals)

Race and ethnic data for minorities from eVestment encompass the following categories:

- Black
- Asian
- Hispanic/Latino/Spanish
- North Africa/Middle East
- Multi-race

<sup>4</sup> <https://www.businesswire.com/news/home/20220308005840/en/Ford-Foundation-Visa-Foundation-and-Fairview-Capital-Join-Forces-to-Invest-In-Diverse-Venture-Capital-and-Private-Equity-Firms>

<sup>5</sup> Specific details on how we formed various asset-class universes can be found in the Appendix

## What did we find?

Broader organizational diversity information (such as executive team, board of directors, or workforce composition) isn't widely or consistently disclosed. In some geographies, reporting certain types of diversity information is prohibited by law.

We also discovered that firms offering equity products had better disclosure rates than firms offering fixed-income products, by approximately 10%.

Consequently, we do not have a full picture of DEI in asset management. **While limited, diversity data is far more widely reported at the firm level than at the product level—which appears to have important implications.**

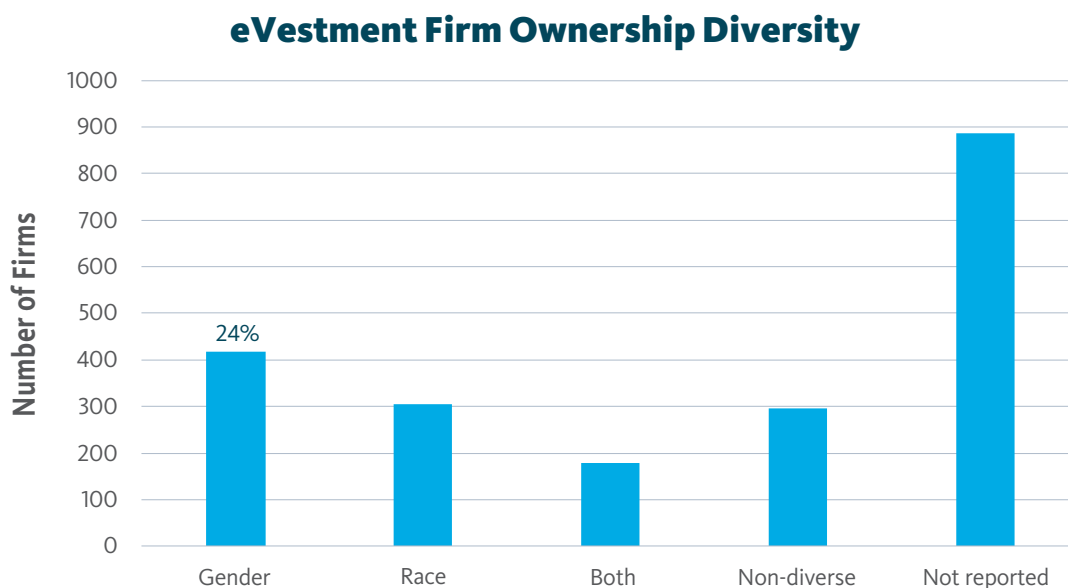
### Firm-level revelations

There are 1,737 firms that offer actively managed, open equity and/or fixed-income products with eVestment universe classifications as of November 2021.

Of these, a notable 887—more than half—did not report gender or race/ethnic ownership data. A closer look revealed that:

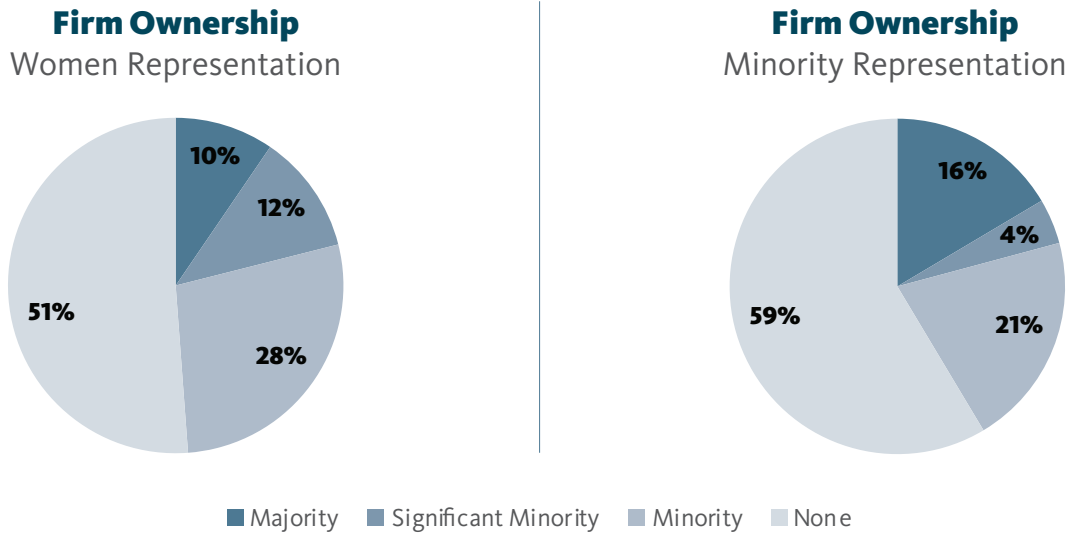
- 177 (20%) of those 887 non-reporting firms are publicly listed (or majority-owned by a publicly listed parent company) and simply cannot report such information as they do not know the racial or gender mix of their shareholders.
- An even larger portion—281 (32%) out of the 887 non-reporting firms—are 100% employee-owned that have thus far chosen to not report DEI ownership data despite having access to such information.

Based on the information that we do have, overall ownership diversity at the firm level looks as follows:



Source: eVestment, SEI. As of November 18, 2021. Percentages do not add up to 100% as ownership categories are not mutually exclusive; a single individual can be counted in more than one category.

Digging a bit deeper into ownership representation across the 850 firms that report DEI data, we found the following:



Source: eVestment, SEI. As of November 18, 2021.

Much of the effort that the industry puts forth to support diversity does not treat women and minorities as distinct areas of focus. Typically, they are regarded interchangeably, with improved representation of either group (or a combination of the two) accepted as meeting a diversity goal.

It is therefore no surprise that, based on the available data, there are remarkably few options for asset owners looking to invest in products offered by firms with ownership diversity at both the gender and race/ethnicity level:

- Only 17 out of the 850 reporting firms (2%) are majority-owned by both women and minorities.
- The opportunity set expands to 25 firms when the focus shifts to those with significant minority ownership by both groups.
- When relaxing the constraint to include firms that have either significant minority ownership or majority ownership by women and minorities, the total number of eligible firms jumps to 44—meaning a mere 5% of the 850 reporting firms offer some meaningful combination of women/minority ownership (comprising at least 21%).

In addition to representational statistics, firms provided information on policies they have in place to promote diversity, support mentorship, and undertake pay assessment. Out of the 1,737 firms in the eVestment universe, we found the following:

- 607 (35%) have at least some policies to promote diversity in recruitment, workforce leadership and/or board representation.
- 324 (19%) offer mentorship programs.
- 219 (13%) have undertaken gender or race/ethnic pay-gap studies.
- 224 (13%) use key performance indicators to track diversity efforts (only half of those make that information public).

Interestingly, if we narrow the universe of firms down to those with significant minority or majority women/minority ownership, the percentage with policies in place to promote diversity actually decreases slightly to 28% (compared to 35% of all reporting firms).

## Product-level revelations

Across all eVestment-universe-classified equity and fixed-income products (14,484), less than 20% have disclosed diversity information. Recency of reporting suggests that early responders are those who have been tracking diversity data for some time and are likely to be those with diverse teams who care about such statistics. Therefore, current data are unlikely to be representative of the industry.

With that in mind, we found the following diversity data at the product level for equity and fixed income:

### Equity

Across all active, open and eVestment-universe-classified equity products (9,216):

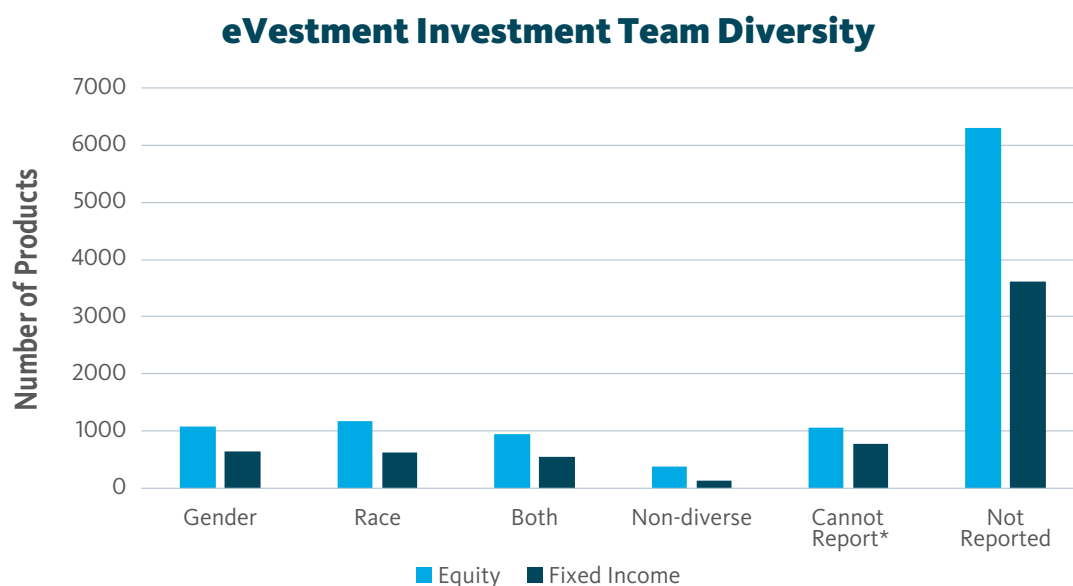
- Only 1,671 (18%) reported diversity statistics for the entire portfolio management team.
- 1,057 products (11%) were denoted by firms as being unable to report due to firm policy or privacy regulations for individuals in specific geographic locations.
- This left about 70% of products not addressed at all by firms.

### Fixed income

Across all active, open and eVestment-universe-classified fixed-income products (5,268):

- Only 851 (16%) reported diversity statistics for the entire portfolio management team.
- 776 products (15%) were denoted by firms as being unable to report due to firm policy or privacy regulations for individuals in specific geographic locations.
- This left around 70% of products not addressed at all by firms.

The overall picture of diversity at the product level looks as follows:



Source: eVestment, SEI. As of November 18, 2021. Percentages do not add up to 100% as ownership categories are not mutually exclusive; a single individual can be counted in more than one category. \*Cannot Report includes products unable to report due to firm policy and/or privacy regulations. Firm Policy: Equity = 336, Fixed Income = 192; Privacy Regulations: Equity = 716, Fixed Income = 584.

A closer look at the product-level data shows that:

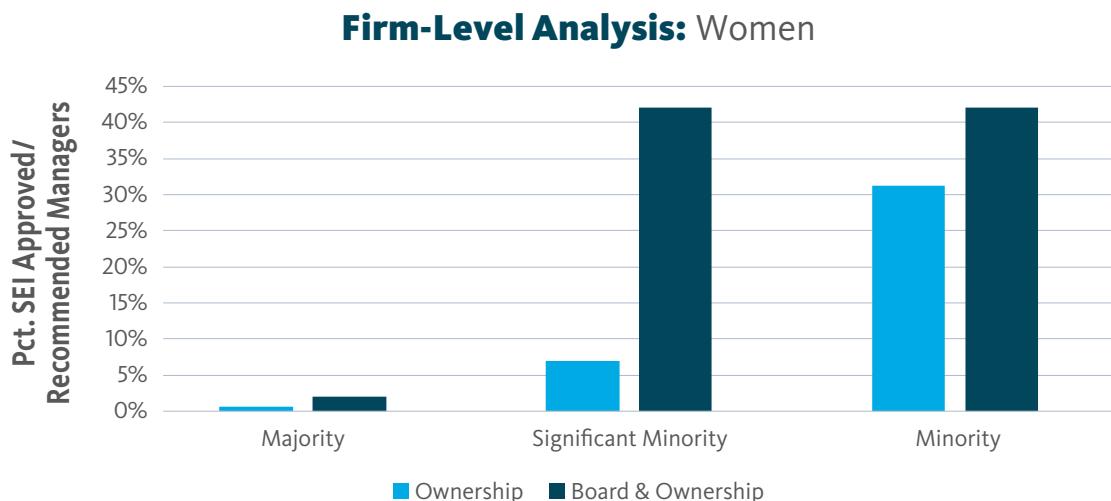
- The best-represented minority racial group is Asian by a substantial margin for both males and females overall as well as at the majority and significant-minority levels.
- Disparity in female representation exists in all race/ethnic categories. Even white women—who have by far the largest percentage of representation compared to females in other racial/ethnic groups—are dramatically underrepresented relative to white males. It is particularly notable at the majority and significant-minority level; nearly 60% of products are managed by teams that are majority white male, while only 1% of products are managed by teams that are majority white female.
- While noticeable disparities exist, an encouraging 69% of all equity and fixed-income products (1,735 out of 2,522 reporting) have at least some percentage of female participants (minority or better).
- 100% of white male or female teams show a skew between equity and fixed income. Equity tends to run between high 20s and low teens across equity universes evaluated, while fixed income runs 10% or less across fixed income universes evaluated.
- We did not find a bias for women-owned or minority-owned firms (majority or significant minority) to employ more diverse portfolio teams (as majority or significant minority).

## What role does DEI play in SEI’s manager research?

We have been tracking engagement with managers on a meeting-by-meeting basis since mid-2015. Such meetings normally entail discussions about the manager’s firm, people, product, and process. Therefore, almost any such engagement would give us the insight necessary to form at least an initial investment opinion and whether we wish to pursue further discussions.

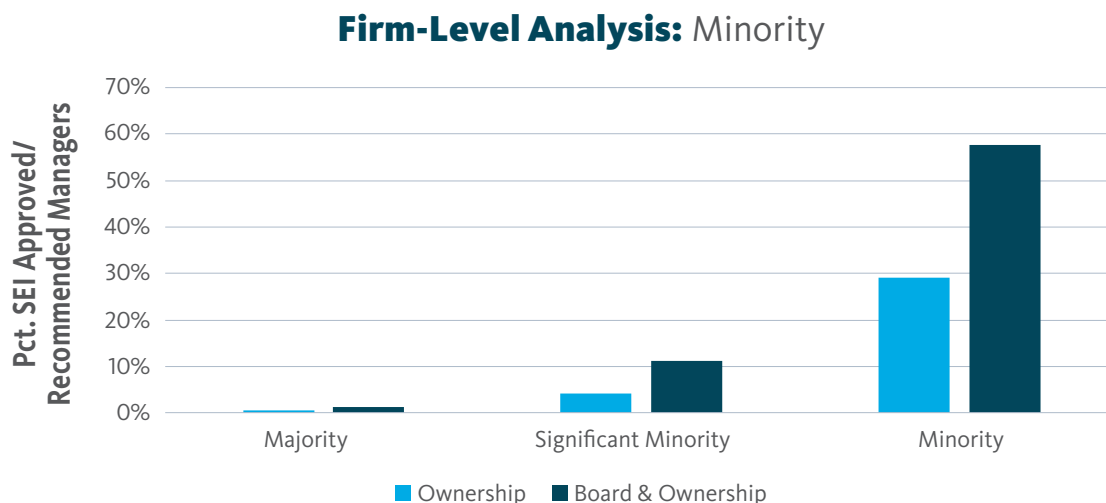
Based on majority or significant minority women-owned firms, since mid-2015 we’ve engaged with 49% of them (87/179) across equity and fixed-income universes in eVestment, and 31% of minority-owned firms (55/177). At the minority ownership level, the figures are 66% (156/236) and 94% (117/125), respectively.

As of December 31, 2021, SEI deploys capital for its clients across 144 Recommended and Approved managers. The denominator is from eVestment data and reflects the numbers of firms meeting the thresholds for minority, significant minority and majority. The distribution of firms based on levels of ownership and Board composition is as follows:



Source: eVestment, SEI. As of December 31, 2021. Figures do not add to 100% as firms with no women ownership have been excluded.

The distribution of those same firms by degree of minority representation in firm ownership and board composition is as follows:



Source: eVestment, SEI. As of December 31, 2021. Figures do not add to 100% as firms with no minority ownership have been excluded.

On strictly a firm-ownership level, we can see that SEI’s managers have a generally higher rate of diversity than that of managers in corresponding eVestment universes:

- Almost 40% of SEI’s 144 managers have at least minority ownership by women—compared to just over 21% of the 850 reporting managers in the corresponding eVestment universe.
- Nearly 35% of SEI’s 144 managers have at least minority ownership by minorities—compared to slightly less than 21% of the 850 reporting managers in the corresponding eVestment universe.

When incorporating board diversity data—a surrogate for diverse decision-making at the corporate strategy level when ownership data cannot be reported (our preferred measure)—the representation rates of SEI’s 144 managers jump dramatically higher:

- 86% of SEI’s 144 managers have at least minority representation by women.
- 70% of SEI’s 144 managers have at least minority representation by minorities.

At the product level, where we evaluate the portion of women or minority portfolio managers, we found that:

- 20% of the 401 actively-managed Recommended or Approved products on SEI’s platform (excludes internal mandates) have women representation.
- 28% of the 401 active products on SEI’s platform (excludes internal mandates) have minority representation.
- Data from eVestment are not directly comparable as they measure the entire portfolio management team, not just decision-making portfolio managers.

## Conclusions: We cannot improve what we cannot measure.

At SEI, we maintain that the more we know about a manager’s products, the better placed we are to include that manager in our searches and due-diligence work. As the CFA Institute notes, “what gets measured gets evaluated and managed, particularly in a data-driven industry such as investment.”<sup>6</sup>

Therefore, we think it crucial that asset owners, consultants, outsourced chief investment officers (OCIOs), and others who allocate capital to asset managers should not only encourage and promote broader reporting and tracking on DEI status, but do the same with regard to programs and initiatives to support and advance DEI efforts (such as talent acquisition, training, retention, and compensation).

With that said, DEI initiatives can result in unintended consequences if not crafted carefully. Simply using quotas to meet targets can lead to improper hires—both in terms of team compatibility and investment skill—while overlooking more qualified non-minority individuals.

The CFA Institute’s DEI Code highlights a wide number of potential initiatives to promote change and advancement, some as early as at the high school level, which we view as more effective alternatives to quota-setting.

At SEI, we believe disclosure and transparency are key supports to effective due diligence, be it diversity and ESG assessment, or portfolio holdings analysis. As such, we intend to continue promoting broader disclosure within the investment community—and position managers on our platform to the extent that they align with SEI’s core investment tenets, which are intended to help achieve our goal of obtaining optimal risk-adjusted returns to meet our clients’ financial objectives.

Seeking greater diversity need not inherently conflict with this goal. However, based on the current state of disclosure and alignment, the opportunity set is not well stocked to widen our platform of recommended managers to any notable degree today.

We plan to address these challenges in our manager engagement program, encouraging greater disclosure and promoting initiations or enhancements of programs that support improving DEI.

Finally, we will continue to meet with minority and women-owned firms as part of our manager due-diligence engagement and, more importantly (given our belief that diversity at the execution level is more crucial than at the ownership level), further our efforts with women- or minority-led portfolio management teams.

<sup>6</sup> CFA Institute Diversity, Equity, and Inclusion Code (USA and Canada). 2022. [https://www.cfainstitute.org/-/media/documents/code/dei/DEICode\\_2022.pdf](https://www.cfainstitute.org/-/media/documents/code/dei/DEICode_2022.pdf)



## Definitions

An alpha source is a term used by SEI as part of our internal classification system to categorize and evaluate investment managers in order to build diversified fund portfolios. An alpha source is the investment approach taken by an active investment manager in an effort to generate excess returns. Another way to define an alpha source is that it is the inefficiency that an active investment manager seeks to exploit in order to add value.

## Appendix

### EXHIBIT 1

Equity products<sup>7</sup> reporting portfolio management team representation

	Black Male	Black Female	Asian Male	Asian Female	Hispanic / Latinx/ Spanish Male	Hispanic / Latinx/ Spanish Female	2 or More Races Male	2 or More Races Female	Memo: Majority White Male	Memo: Majority White Female
<b>Count</b>	304	178	906	705	284	198	229	171	956	17
<b>Percent</b>	18%	11%	54%	42%	17%	12%	14%	10%	57%	1%
<b>Majority</b>	2	0	83	6	9	0	0	0	--	--
<b>Significant Minority</b>	38	7	248	107	30	7	6	3	--	--

Source: eVestment, SEI

NB: Percentages do not sum to 100% across row as memorandum data on majority white male and female are independent of other data columns

### EXHIBIT 2

Fixed-income products<sup>8</sup> reporting portfolio management team representation

	Black Male	Black Female	Asian Male	Asian Female	Hispanic / Latinx/ Spanish Male	Hispanic / Latinx/ Spanish Female	2 or More Races Male	2 or More Races Female	Memo: Majority White Male	Memo: Majority White Female
<b>Count</b>	178	140	512	333	259	187	175	107	506	4
<b>Percent</b>	21%	16%	60%	39%	30%	22%	21%	13%	59%	0%
<b>Majority</b>	0	0	8	4	0	0	0	0	--	--
<b>Significant Minority</b>	5	0	90	13	31	12	5	0	--	--

Source: eVestment, SEI

NB: Percentages do not sum to 100% across row as memorandum data on majority white male and female are independent of other data columns

<sup>7</sup> Total products 1,687. Figures in table represent responses other than 0%

<sup>8</sup> Total products 851. Figures in table represent responses other than 0%

### EXHIBIT 3

Firm-level example analysis – Equity (shown here is U.S. all/large cap<sup>9</sup>)

	By Count		# unique firms686								
	Ownership	Women Firms	Products at Women Firms	Products (w/ S.A. alpha source)	=>exclude Undefined and Income	Primary Style: Value (ex S.A. alpha source)	Minority Firm	Products at Minority Firms	Products (w/ S.A. alpha source)	=>exclude Undefined and Income	Primary Style: Value (ex S.A. alpha source)
<b>Majority</b>	100%-76%	10	20	15	11	0	32	52	31	17	9
<b>Majority</b>	75% - 51%	24	35	23	10	6	14	22	8	4	4
<b>Sig Minority</b>	50% - 21%	44	99	63	37	10	12	47	27	15	7
<b>Minority</b>	20% - 1%	115	260	184	108	27	68	153	110	72	14
	0%	147	374	--	--	--	193	473	--	--	--
	Reported	340	788	285	166	43	319	747	176	108	34
	Not Reported	346	1084	--	--	--	367	1125	--	--	--

	By Percent										
	Ownership	Women Firms	Products at Women Firms	Products (w/ S.A. alpha source)	=>exclude Undefined and Income	Primary Style: Value (ex S.A. alpha source)	Minority Firm	Products at Minority Firms	Products (w/ S.A. alpha source)	=>exclude Undefined and Income	Primary Style: Value (ex S.A. alpha source)
<b>Majority</b>	100%-76%	3%	3%	75%	55%	0%	10%	7%	60%	33%	17%
<b>Majority</b>	75% - 51%	7%	4%	66%	29%	17%	4%	3%	36%	18%	18%
<b>Sig Minority</b>	50% - 21%	13%	13%	64%	37%	10%	4%	6%	57%	32%	15%
<b>Minority</b>	20% - 1%	34%	33%	71%	42%	10%	21%	20%	72%	47%	9%
	0%	43%	47%	--	--	--	61%	63%	--	--	--
	Reported	50%	42%	69%	40%	10%	47%	40%	64%	39%	12%
	Not Reported	50%	58%	--	--	--	53%	60%	--	--	--

Source: eVestment, SEI. As of December 31, 2021. See Appendix for definition of alpha source.

### EXHIBIT 4

Firm-level example analysis – Fixed income (shown here is Global Fixed)

	By Count					By Percent					
	Ownership	Women Firms	Products at Women Firms	Minority Firm	Products at Minority Firms	Ownership	Women Firms	Products at Women Firms	Minority Firm	Products at Minority Firms	
<b>Majority</b>	100%-76%	0	0	4	5	<b>Majority</b>	100%-76%	0%	0%	7%	3%
<b>Majority</b>	75% - 51%	3	10	1	3	<b>Majority</b>	75% - 51%	5%	5%	2%	2%
<b>Sig Minority</b>	50% - 21%	7	24	2	16	<b>Sig Minority</b>	50% - 21%	11%	12%	3%	9%
<b>Minority</b>	20% - 1%	9	28	6	13	<b>Minority</b>	20% - 1%	15%	14%	10%	7%
	0%	43	132	48	149		0%	69%	68%	79%	80%
	Reported	62	194	61	186		Reported	32%	27%	31%	25%
	Not Reported	134	537	135	545		Not Reported	68%	73%	69%	75%

Source: eVestment, SEI. As of December 31, 2021.

<sup>9</sup> Large cap refers to companies with a market capitalization value of more than \$10 billion

## EXHIBIT 5

Product-level example analysis - All asset classes (shown here is U.S. all/large cap<sup>10</sup>)

	By Count		By Percent			
	PM Team	Women	Minority	PM Team	Women	Minority
No product breakdown						
Product level breakdown <sup>11</sup>						
Chose to not disclose <sup>12</sup>						
	100%-76%	6	16	100%-76%	2%	4%
	75% - 51%	7	16	75% - 51%	2%	4%
	50% - 21%	149	138	50% - 21%	39%	36%
	20% - 1%	87	79	20% - 1%	23%	21%
	0%	46	46	0%	12%	12%
	Male / White (100%)	86	86	Male / White (100%)	23%	23%

Source: eVestment, SEI

## EXHIBIT 6

Firm-product level example analysis - All asset classes (shown here is U.S. All/Large Cap)

		Majority (F) / Majority (P)	
Count		Product	
		Women	Minority
Firm	Women	1	5
	Minority	1	10

		Majority (F) / Significant Majority (P)	
Count		Product	
		Women	Minority
Firm	Women	15	8
	Minority	1	10

		Majority (F) / Majority (P)	
Percent		Product	
		Women	Minority
Firm	Women	0.3%	1.3%
	Minority	0.3%	2.6%

		Majority (F) / Significant Majority (P)	
Percent		Product	
		Women	Minority
Firm	Women	3.9%	2.1%
	Minority	0.3%	2.6%

		Significant Minority (F) / Majority (P)	
Count		Product	
		Women	Minority
Firm	Women	1	0
	Minority	0	0

		Significant Minority (F) / Significant Minority (P)	
Count		Product	
		Women	Minority
Firm	Women	11	8
	Minority	4	5

		Significant Minority (F) / Majority (P)	
Percent		Product	
		Women	Minority
Firm	Women	0.3%	0.0%
	Minority	0.0%	0.0%

		Significant Minority (F) / Significant Minority (P)	
Percent		Product	
		Women	Minority
Firm	Women	2.9%	2.1%
	Minority	1.0%	1.3%

Source: eVestment, SEI

<sup>10</sup> Large cap refers to companies with a market capitalization value of more than \$10 billion

<sup>11</sup> May include 100% white male disclosure

<sup>12</sup> Due to firm policy or privacy regulations for individuals in specific jurisdictions

## EXHIBIT 7

### Universe details

**All equity classes** (U.S. large, mid, and small cap; global; developed markets excluding U.S.; and emerging markets)

- Primary investment approach: combined; discretionary; fundamental; quantitative; technical analysts (exclude passive and unlabeled)
- Investment focus: long-only; extended equity; real estate investment trusts (REITs); specialty
- Primary universe: must be classified by eVestment (exclude passive<sup>13</sup> and sector)
- Product offered: all vehicles
- Base currency: all
- Status: active

### Global fixed income

- Primary investment approach: combined; discretionary; fundamental; quantitative<sup>14</sup> (exclude passive and unlabeled)
- Investment focus: aggregate; credit; government; leveraged/bank loans; high yield<sup>15</sup>; multi-asset fixed income; and securitized
- Primary universe: must be classified by eVestment (exclude passive, money market, convertibles)
- Product offered: all vehicles
- Base currency: all
- Status: active

### U.S. fixed income

- Primary investment approach: combined; discretionary; fundamental; quantitative (exclude passive and unlabeled)
- Investment focus: aggregate; credit; government; leveraged<sup>16</sup>/bank loans; high yield; multi-asset fixed income; securitized
- Primary universe: must be classified by eVestment (exclude passive, money market, convertibles, U.S. Treasury inflation-protected securities, municipal, stable value)
- Product offered: all vehicles
- Base currency: all
- Status: active

### Emerging-markets debt

- Primary investment approach: combined; discretionary; fundamental; quantitative (exclude passive and unlabeled)
- Investment focus: local; hard; blend; corporate
- Primary universe: must be classified by eVestment (exclude passive)
- Product offered: all vehicles
- Base currency: all
- Status: active

### Municipals

- Primary investment approach: combined; discretionary; fundamental; quantitative (exclude passive and unlabeled)
- Investment focus: all durations; high yield; taxable
- Primary universe: must be classified by eVestment (exclude passive)
- Product offered: all vehicles
- Base currency: all
- Status: active

<sup>13</sup> Passive investments seek to track a benchmark or an index, rather than outperform it

<sup>14</sup> A quantitative approach emphasizes mathematical and statistical analysis

<sup>15</sup> High-yield bonds pay higher interest rates because they have lower credit ratings than investment-grade bonds

<sup>16</sup> Leverage is the use of borrowed capital to increase the magnitude of portfolio positions in an effort to increase portfolio returns

## Important Information

**SEI considers DEI factors as part of its Portfolio Manager Research and due diligence process including an evaluation of each Portfolio Manager's approach to integrating sustainability risk in its investment process; however, no minimum threshold has been established with respect to these capabilities in order for a firm to be hired as a Portfolio Manager.**

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