




Gateway		Reason for interaction
<p><b>LEA 02</b></p> <p><b>Monetary</b></p> <p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <p><input checked="" type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> To engage internal ESG expertise</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p> <p><input type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p> <p><input type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p> <p><input type="checkbox"/> To support investment decisionmaking &amp; company internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p>	

# RI TRANSPARENCY REPORT

2019

## Pension Protection Fund

## 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 reporting period specified above. 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.

## 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.

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OO 01	Mandatory	Gateway/Peering	General
OO 01.1	Select the type that best describes your organisation or the services you provide.		
<input checked="" type="checkbox"/> Non-corporate pension or superannuation or retirement or provident fund or plan <input type="checkbox"/> Corporate pension or superannuation or retirement or provident fund or plan <input type="checkbox"/> Insurance company <input type="checkbox"/> Foundation <input type="checkbox"/> Endowment <input type="checkbox"/> Development finance institution <input type="checkbox"/> Reserve - sovereign or government controlled fund <input type="checkbox"/> Family office <input type="checkbox"/> Other, specify			
OO 01.3	Additional information. [Optional]		
<p>The Pension Protection Fund (PPF) is a statutory fund run by the Board of the Pension Protection Fund, a statutory corporate established under the provisions of the Pensions Act 2004, and is classified as a public financial corporation. It was established to pay compensation to members of eligible defined benefit pension schemes in the United Kingdom, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation. We are also responsible for the day-to-day running of the Financial Assistance Scheme (FAS) on behalf of the UK Government.</p> <p>Over 130,000 people (31 March 2018) are now receiving compensation, and <i>hundreds of thousands</i> more will do so in the future.</p> <p>The money needed to pay compensation, and the cost of running the PPF is generated by:</p> <ul style="list-style-type: none"> <li>charging a levy on eligible pension schemes;</li> <li>taking of the assets of schemes that transfer to the PPF;</li> <li>recovering money, and other assets, from the insolvent employers of the schemes we take on; and</li> <li>investing all income and assets, as part of a prudent strategy.</li> </ul> <p>We have £30.0 billion in our investment portfolio (31 March 2018) which is continually growing, and is currently managed both internally and externally</p> <p><b>Highlights as at 31 Mar 2018</b></p> <ul style="list-style-type: none"> <li>As at 31st Mar 2018, the PPF had over 230,000 members, made up of over 100,000 deferred members and over 130,000 members receiving compensation;</li> <li>By the end of our financial year, we were supporting 89 schemes in the assessment period, with assets of £6.4 billion and liabilities of £8.0 billion;</li> <li>By the end of March 2018, the PPF had a funding level of 122.8 per cent - an increase of 1.2 per cent on the previous year;</li> <li>By 31 March 2018, the probability of success of being financially self-sufficient by 2030 is 91 per cent, confirming we continue on the right path.</li> </ul> <p>Further details regarding the PPF's strategic objectives and investment strategy for the year under review can be found in its annual report which can be found here:</p> <p><a href="https://www.ppf.co.uk/sites/default/files/file-2018-11/annual_report_2017-2018_0.pdf">https://www.ppf.co.uk/sites/default/files/file-2018-11/annual_report_2017-2018_0.pdf</a></p>			
OO 02	Mandatory	Peering	General
OO 02.1	Select the location of your organisation's headquarters.		
United Kingdom			
OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).		
<input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2-5 <input type="checkbox"/> 6-10 <input type="checkbox"/> >10			
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).		
365			
OO 03	Mandatory	Descriptive	General
OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
OO 04	Mandatory	Gateway/Peering	General
OO 04.1	Indicate the year end date for your reporting year.		
31/03/2018			
OO 04.2	Indicate your total AUM at the end of your reporting year.		
Total AUM 30,000,000,000 GBP 38,429,779,534 USD			

OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income	10-50%	10-50%
Private equity	0	<10%
Property	0	<10%
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	<10%
Fund of hedge funds	0	0
Forestry	0	<10%
Farmland	0	<10%
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	0
Other (1), specify	0	10-50%
Other (2), specify	0	0

Externally managed 'Other (1)' description

Hybrid assets, which are defined as illiquid UK Investment Grade assets with hedging characteristics that support LDI book

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6 Provide contextual information on your AUM asset class split. [Optional]

The strategic asset allocation is set by taking into account the nature and timing of both actual and potential future liabilities, which are sensitive to interest rates, inflation, mortality and other financial and demographic factors. It is also set having regard to the Board's funding objectives. To meet these objectives the Board has set an investment return target, and risk appetite, consistent with the Board's low risk investment philosophy.

Private

Private

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

95

Developed Markets

5

Emerging Markets

0

Frontier Markets

0

	Other Markets
OO 10	Mandatory Gateway General
OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
	<b>Listed equity – engagement</b>
	<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input checked="" type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.
	<b>Listed equity – voting</b>
	<input checked="" type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers <input checked="" type="checkbox"/> We require our external managers to vote on our behalf. <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf
	<b>Fixed income SSA – engagement</b>
	<input type="checkbox"/> We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers. <input checked="" type="checkbox"/> We require our external managers to engage with SSA bond issuers on ESG factors on our behalf. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.
	<b>Fixed income Corporate (financial) – engagement</b>
	<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input checked="" type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
	<b>Fixed income Corporate (non-financial) – engagement</b>
	<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input checked="" type="checkbox"/> We require our external managers to engage with companies on ESG factors on our behalf. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory Gateway General				
OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).				
	<b>Fixed income - SSA</b>				
	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.				
	<b>Cash</b>				
	<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.				
OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.				
<b>Asset class</b>	<b>ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>				
Listed equity	<table border="1"> <tr> <td></td> <td><b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td></td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation                 </td> </tr> </table>		<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>		<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
	<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>				
	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation				
Fixed income - SSA	<table border="1"> <tr> <td></td> <td><b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td></td> <td> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation                 </td> </tr> </table>		<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>		<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
	<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>				
	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation				

Fixed income - corporate (financial)	<p><b>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Fixed income - corporate (non-financial)	<p><b>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Private equity	<p><b>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Property	<p><b>Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Infrastructure	<p><b>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Hedge funds	<p><b>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Forestry	<p><b>Forestry - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Farmland	<p><b>Farmland - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>

Other (1)	Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

**OO 11.4** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

As part of any initial assessment of a new fund manager, ESG considerations are embedded into the RFP and Due Diligence processes. The Head of ESG and Investment Team will ensure that the manager has robust RI policies in place, and where any related processes are identified as requiring strengthening, secure a commitment on the part of the manager to work with us to do so.

Through our in-house Manager reporting system, we monitor and record the ESG performance of all our external Fund Managers on an ongoing basis. These records are reviewed by a senior member of the Investment Team alongside the Head of ESG, and are regularly presented to our Assets and Liabilities Committee, Investment Committee and Executive Committee, throughout the year.

**OO 12** Mandatory Gateway General

**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
RI implementation via external managers	
Indirect - Selection, Appointment and Monitoring of External Managers	
<input checked="" type="checkbox"/>	Listed Equities
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Private Equity
<input checked="" type="checkbox"/>	Property
<input checked="" type="checkbox"/>	Infrastructure
Closing module	
<input checked="" type="checkbox"/>	Closing module

**OO FI 01** Mandatory Gateway General

**OO FI 01.1** Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50%	<input checked="" type="checkbox"/> >50%	<input type="radio"/> >50%	100%
	<input type="radio"/> 10-50%	<input type="checkbox"/> 10-50%	<input type="radio"/> 10-50%	
	<input type="radio"/> <10%	<input type="checkbox"/> <10%	<input type="radio"/> <10%	
	<input checked="" type="checkbox"/> 0%	<input type="checkbox"/> 0%	<input checked="" type="checkbox"/> 0%	

**OO FI 01.2** Additional information. [Optional]

We actively track our liability benchmark using predominately gilts.

**OO FI 03** Mandatory Descriptive General

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.



**OO FI 03.3** Additional information. [Optional]

85% of our SSA are managed directly (=internally). Directly managed SSA assets are 100% invested in Developed markets  
 Externally managed SSA have exposure to both Developed and Emerging markets

<b>OO SAM 01</b>	Mandatory to Report, Voluntary to Disclose	Gateway	General
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Private



**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.

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 checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" 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 type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4** Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The PPF’s primary mission is to have sufficient funds to pay compensation to current and future members. As a long-term, cross-generational investor, it is critical that we consider all potential risks over the entire time horizon of these liabilities. The Board of the PPF strongly believes that integrating material ESG risks and seeking to exploit ESG opportunities in a responsible way will protect and enhance the value of its assets. Fundamentally, we look to achieve this through engaging with managers and issuers, rather than divesting.

Our core responsible investment beliefs are:

1. By acting as a responsible and vigilant asset owner, we can protect and enhance the value of our investments.
2. Environmental, social and governance (ESG) factors can have an impact on the performance of our investments, and the management of ESG risks and exploitation of ESG opportunities can, particularly for a portfolio-wide issue like climate change, add value to our portfolio.

The Board strives to integrate the consideration of ESG-related risks and opportunities across all asset classes and markets in which it invests, and expects its fund managers to integrate relevant ESG factors into investment analysis and decision-making processes and demonstrate active stewardship.

**SG 01.5** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The Board of the PPF employs a Responsible Investment (RI) framework that integrates ESG risks and opportunities across existing business functions, with an essential focus on risk management. The PPF’s core RI beliefs and our Statement of Investment Principles (SIP) inform the RI framework, which consists of four pillars, focusing on (i) Governance and Accountability of our approach to RI, (ii) Strategic Direction & Policies, (iii) Risk Management of RI issues, (iv) RI Metrics and Transparency.

Underneath this framework, there are three strategies of particular focus around Climate Change, Stewardship and Reporting and communications.

The PPF is committed to integrating RI criteria/ESG considerations across all investments through incorporation into its RFPs/tenders, manager selection criteria, operational due diligence, contractual agreements, on-going monitoring, engagement & voting, and reporting. Expectations of RI considerations vary from asset class to asset class, depending on relevance and current best practice. As part of the appointment process of our external agents, we include RI due diligence, and upon selection, we ensure that appropriate clauses on RI are incorporated into investment management agreements, side letters, etc. to communicate our RI expectations formally at the outset.

**On-going monitoring and scoring of manager mandates**

We are dedicated to monitoring how well our fund managers integrate ESG factors into their investment analysis and decision-making processes. Our in-house investment team uses a RI rating to help monitor our external fund managers. This RI rating forms part of a wider, integrated, performance-monitoring framework which includes other equally weighted qualitative factors and a quantitative performance assessment. We rate our fund managers’ approach to RI across a number of key performance areas, such as alignment, ESG integration, stewardship, resources and reporting. Our red, amber or green rating is specific to asset class and strategy. All our fund managers are required to report their RI issues

alongside their investment performance, and RI is a standing agenda item in manager meetings. We have internal guidance documents or policies which set out our expectations of managers in various asset classes. These are updated as best practices emerge in the market, and their main purpose is to guide our investment team in forming an RI opinion of a manager, and to help establish specific proposals for improvement or development that may lead to a ratings upgrade. These documents are not public, but for the use of the team only.

At an individual fund level, ESG risks (including climate-related) are identified and assessed internally using monitoring processes, tools, data and systems, to help inform areas of engagement, such as discussions with our external fund managers, and other engagement initiatives or collaborations.

**Collaborative efforts to improve or set RI standards across asset classes**

Internally within the PPF we continue to develop our internal RI ratings framework and external fund manager engagement across the wide range of asset classes we invest in, focussing on improving ESG risk mitigation and reporting by our fund managers. We also continue to engage with industry peers on their experiences, and our Head of ESG has recently been appointed to the PRI's Infrastructure Advisory Committee.

**Exercising our ownership rights such as shareholder rights and votes on advisory committees**

We believe that voting our shares and engaging with companies are part of our oversight role in relation to the companies in which we invest. Exercising our shareholder rights is not an end in itself but an essential means of ensuring that boards are accountable, and are fulfilling their stewardship obligations to shareholders, including the delivery of long-term value. To vote the PPF's shares cost-efficiently across a growing global listed equity portfolio, we appoint external agents who also monitor portfolio companies for ESG risks, and where concerns arise, engage with company management. For our segregated portfolios, we use an overlay service. Due to current operational barriers to extracting voting rights from our pooled equity funds, we outsource stewardship activities in relation to these funds to the relevant managers. We actively monitor the voting and engagement activities throughout the year, and work with our agents to improve the quality and quantity of their stewardship activities globally.

The PPF has published its Statement of Compliance with the UK Stewardship Code. This Code aims to improve the quality of engagement between investors and companies to help maximise long-term returns to shareholders, as well as to improve and strengthen corporate governance. The PPF is listed as a signatory to the UK Stewardship Code on the Financial Reporting Council's website.

**Reporting and Transparency**

The Investment Team reports regularly to our internal Board and investment-related committees, and engages in ongoing training and education across the organisation. Externally, the PPF strives to be transparent on its RI activities. Information is available on our website, including our Annual Report and quarterly reports on the voting and engagement activities carried out on our behalf.

No

SG 01 CC	Voluntary	Descriptive	General
Private			

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 a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.ppf.co.uk/responsible-investment">https://www.ppf.co.uk/responsible-investment</a> <input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf">https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf</a> <input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf">https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf</a> <input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf">https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf</a> <input type="checkbox"/> Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment
<input checked="" type="checkbox"/> URL

<https://www.ppf.co.uk/who-we-are>

Attachment (will be made public)

Asset class-specific RI guidelines

Sector specific RI guidelines

Screening / exclusions policy

Engagement policy

URL/Attachment

URL

[https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

[https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

<https://www.ppf.co.uk/responsible-investment>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

[https://ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment

Time horizon of your investment

URL/Attachment

URL

[https://ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

[https://ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment

ESG incorporation approaches

URL/Attachment

URL

[https://ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment

Active ownership approaches

URL/Attachment

URL

[https://ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)

Attachment

Reporting

URL/Attachment

- URL  
<https://www.ppf.co.uk/responsible-investment>
  - Attachment
- Climate change

URL/Attachment

- URL  
[https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf\\_statement\\_of\\_investment\\_principles\\_booklet.pdf](https://www.ppf.co.uk/sites/default/files/file-2018-11/ppf_statement_of_investment_principles_booklet.pdf)
  - Attachment
- Understanding and incorporating client / beneficiary sustainability preferences
- We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

We have a set of internal RI policy, guidance and implementation documents, including those that describe our RI minimum expectations of portfolio companies and fund managers across a number of asset classes. These are reviewed and updated periodically, e.g. when new best practice guidelines are issued by PRI or other organisations, but at least annually. The purpose of these documents is to guide the ratings decision of investment team members (who assess each strategy against our RI expectations) and inform our due diligence process and requirement for incorporating ESG into fund terms, etc. When communicating our expectations to managers, the feedback is tailored to the areas where we see need for improvement. Best practice in some asset classes is scarce, and is still developing, but we provide our fund managers with a description of our ratings processes, which is available on our website.

We are in the final stages of formalising a Climate Change policy, which will be made publicly available once approved. We are also drafting a policy on our stewardship approach, which will also be made publicly available once approved.

**SG 03** Mandatory Core Assessed General

**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.

An example for a source of conflict (although none have arisen to date) is where we are shareholders of a company and also protect the members of the pension fund of that same company. We adopt an arms length approach to such conflicts: while we reserve the right to amend any votes proposed by our voting agent, and to this end review voting proposals ahead of AGMs, we are generally satisfied that our voting and engagement agent has suitable expertise, policies, research and resources to carry out stewardship activities on a day to day basis on our behalf. Therefore, where conflicts of interest arise, we will not influence or override the voting decision of our agent.

- No

**SG 04** Voluntary Descriptive General  
*Private*

**SG 05** Mandatory Gateway/Core Assessed General

**SG 05.1** 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 set/reviewed

**SG 05.2** Additional information. [Optional]

We have an independent Board that sets out our business strategy and plan, and has oversight of the PPF's responsible investment beliefs and policies, which are reviewed and reported on at least annually. Development and maintenance of the RI principles and policies is delegated to the Board's Investment Committee, but the Board does provide direct steer in some areas, e.g. on corporate governance priorities and on the consideration of minimum standards applied to our investments.

The Chief Investment Officer (CIO) is responsible for the investment strategy which includes our responsible investment strategy. The responsible investment strategy is reviewed annually, with quarterly updates to the Investment Committee. The day-to-day implementation of the strategy is in the hands of our Investment Team and the Head of ESG. Oversight of our investments is delegated to our Asset and Liability Committee (an executive committee). This includes the quarterly review of the Responsible Investment performance and compliance of our external investment managers.

**SG 06** Voluntary Descriptive General  
*Private*

**SG 07** Mandatory Core Assessed General

**SG 07.1** Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles	
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Other Chief-level staff or head of department, specify
<input checked="" type="checkbox"/>	Portfolio managers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Investment analysts
<input checked="" type="checkbox"/>	Dedicated responsible investment staff
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Investor relations
<input type="checkbox"/>	Other role, specify (1)
<input type="checkbox"/>	Other role, specify (2)
<input checked="" type="checkbox"/>	External managers or service providers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

We have an independent Board which sets out our business strategy and plan, and provides oversight and steer on the PPF's responsible investment framework and beliefs, which are reviewed annually as a minimum. The Board usually delegates the development and maintenance of the PPF's RI framework and beliefs and determining the overall approach to ESG risk management of the Fund's investments to the Board's Investment Committee, but the Board does provide direct steer where issues are considered, for example on corporate governance priorities and on the consideration of minimum standards in our investments.

The Investment Committee develops the PPF's investment principles and strategic approach to investment, including developing and maintaining the Fund's RI principles and policies, and determining the overall approach to ESG risk management of the Fund's investments, as well as approving any new RI policies, and reviewing the existing principles and policies annually. The Asset and Liability Committee is responsible for overseeing the day-to-day implementation of the Fund's investment strategy and the Statement of Investment Principles (SIP), and regularly reviewing the Responsible Investment performance of our external investment managers. The Asset & Liability Committee provides ongoing review of RI/ESG risks in the PPF's investments and effective implementation.

The Chief Investment Officer, as part of the Executive Committee, is responsible for investing the assets of the PPF in accordance with the Board's SIP, including RI & Corporate Governance. The CIO has responsibility for the Head of ESG who provides support and expertise on RI, oversees appropriate implementation of the RI framework, engages with external managers and service providers, monitors investments for ESG risks and opportunities (including climate change) across asset classes, measures progress and stewardship activities (such as engagement and voting), tracks industry/regulatory developments and oversees reporting to relevant stakeholders. The CIO also has responsibility for the Portfolio Managers within the investment team, who ensure adherence to the RI framework and integration of ESG for their relevant asset classes on a day-to-day basis. The PPF employs a dedicated team of experienced investment professionals. Team members have diverse backgrounds thereby mitigating the risk of "group think". Team members are encouraged to develop their skills within a particular area of investment field working on a range of investment projects.

The investment strategy is designed to be robust to changes in the capital market environment, and as part of this, our responsible investment strategy contributes to risk mitigation but also considers where opportunities might exist. The PPF seeks to utilise a diverse range of investment levers to ensure that the return per unit risk is maximised while respecting the long term targets set out in the Statement of Investment Principles. Value is added through active manager selection, tactical asset allocation, portfolio construction and efficient implementation. A rigorous process is used to gather the data on which these decisions are based and proprietary systems are used to track the information. The team meets with fund managers at regular intervals and formally evaluates the managers' ability to deliver on their agreed performance targets. Managers are evaluated on various criteria: Organisational Stability, Calibre of Personnel, Investment Process, Alignment with PPF Responsible Investment Principles and ESG Integration, Risk and Performance. An external Engagement and Voting specialist is used to support the PPF as an active owner, but our external fund managers are also expected to demonstrate active stewardship when managing our assets on behalf of the PPF.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

1

SG 07 CC	Voluntary	Descriptive	General
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Private

SG 08	Voluntary	Additional Assessed	General
Private			
SG 09	Mandatory	Core Assessed	PRI 4,5
SG 09.1	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.		
<input checked="" type="checkbox"/> Principles for Responsible Investment			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Moderate	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
<p>Involvement in Asset Owner roundtables, attending events and webinars throughout the year (including attending PRI in Person), voting in AGMs, joining initiatives such as the ESG integration into Credit Ratings, the Open letter to index providers on controversial weapons (where we will be directly engaging with one of the index providers), the Asset Owner Responsible Tax practices, the coordinated response to Vale, providing input and feedback on the 2 degrees alignment PACTA tool ahead of its launch, supporting the Transition Pathway Initiative and Climate Action 100+ initiatives.</p> <p>We have also just been appointed to the PRI's Infrastructure Advisory Committee.</p>			
<input type="checkbox"/> Asian Corporate Governance Association			
<input type="checkbox"/> Australian Council of Superannuation Investors			
<input type="checkbox"/> AFIC – La Commission ESG			
<input checked="" type="checkbox"/> BVCA – Responsible Investment Advisory Board			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Basic	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We have recently become a member of the BVCA.			
<input checked="" type="checkbox"/> CDP Climate Change			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Moderate	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF is an investor member and we engage Hermes EOS to work collaboratively with CDP Climate Change on common workstreams/initiative			
<input checked="" type="checkbox"/> CDP Forests			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Basic	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF is an investor member			
<input checked="" type="checkbox"/> CDP Water			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Moderate	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF is a signatory and we engage Hermes EOS to work collaboratively with CPD Water on common workstreams/initiatives.			
<input checked="" type="checkbox"/> CFA Institute Centre for Financial Market Integrity			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Basic	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The Head of ESG joined a CFA Institute roundtable on ESG topics in October 2018.			
<input type="checkbox"/> Code for Responsible Investment in SA (CRISA)			
<input type="checkbox"/> Code for Responsible Finance in the 21st Century			
<input type="checkbox"/> Council of Institutional Investors (CII)			
<input type="checkbox"/> Eumedion			
<input type="checkbox"/> Extractive Industries Transparency Initiative (EITI)			
<input type="checkbox"/> ESG Research Australia			
<input type="checkbox"/> Invest Europe Responsible Investment Roundtable			
<input type="checkbox"/> Global Investors Governance Network (GIGN)			
<input type="checkbox"/> Global Impact Investing Network (GIIN)			

- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)	
Basic	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF is currently considering how the GRESB initiative can provide support on understanding ESG practices within real estate and infrastructure.	

- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF is a signatory and has attended AGMs, webinars and other events hosted by the 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 Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We are a member of UKSIF	

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)	
Basic	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF reviews the activities and reports from the UNEP FI initiative	

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF reviews the activities and reports from the UN GC initiative, and monitors its investments for risks relating to the core principles.	

- Other collaborative organisation/initiative, specify

UK pension fund RI roundtable

Your organisation's role in the initiative during the reporting year (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF has been an active contributor to this initiative in 2018	

- Other collaborative organisation/initiative, specify

The Transparency Task Force (TTF)

Your organisation's role in the initiative during the reporting year (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
The PPF has worked closely with the TTF since joining in late 2018, and contributed to recent consultation responses organised by the initiative	

- Other collaborative organisation/initiative, specify

International Limited Partners Association (ILPA)

	Your organisation's role in the initiative during the reporting year (see definitions)
	Moderate
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	We are members of ILPA. While the aims of ILPA (to advance the interests of private equity Limited Partners) is broader than RI, it does provide a platform for an RI debate, including through its strong focus on good governance in partnerships.
<input type="checkbox"/>	Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
	Private		

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
---------	--

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
--	-------------

Please see the additional information provided in SG10.3.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Provided input and/or collaborated with academia on RI related work

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

	Description
--	-------------

Please see the additional information provided in SG 10.3.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

	Description
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We have a few events coming up very shortly whereby the Head of ESG will be a speaker/panellist.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Encouraged the adoption of the PRI

	Description
--	-------------

Through our RFP processes and our ongoing engagements with Fund Managers we strongly encourage PRI adoption

	Frequency of contribution
--	---------------------------



- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description
TCFD, EU Sustainable Action Plan, RI AO callout (Do you or Don't you?)

Frequency of contribution
<ul style="list-style-type: none"> <li><input type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> <li><input checked="" type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

Wrote and published articles on responsible investment in the media

A member of PRI advisory committees/ working groups, specify

Description
Member of PRI Infrastructure Advisory Committee

Frequency of contribution
<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> <li><input type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Other, specify

specify description
Transparency Task Force

Description
Member of PISCES sub-committee

Frequency of contribution
<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> <li><input type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

No

**SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]**

In promoting responsible investment in the market place we focus on areas where we wish to see greater alignment with our organisational goals. For example, we meet with asset managers that wish to discuss their RI approaches in more depth or require feedback on aspects of same.

We have had some success in encouraging asset managers to sign up to the PRI. We contribute to selected publications, always with a focus on the practical implementation of the Principles, the challenges that we face, and the solutions we have found. While there are many asset managers interested in our selection and monitoring processes, it is also important to reach out to other asset owners to share and improve best practice.

Our engagement service provider, Hermes EOS, has published case studies on its website, participated in academic research, responded to consultations related to responsible investment, and supported the development of stewardship codes. EOS is involved in the following key networks on our behalf.

- Asian Corporate Governance Association (ACGA)
- Assogestioni (Italy)
- Canadian Coalition of Good Governance (CCGG)
- Carbon Disclosure Project
- Council of Institutional Investors (USA)
- Dansif (Denmark)
- DSW (German Shareholder Association)

- Eumedion (Netherlands)
- European Investors' Working Group
- Eurosif (Europe)
- FIR (French Social Investment Forum)
- International Corporate Governance Network (ICGN)
- International Investors Group on Climate Change (IIGCC)
- PLSA (UK)
- UKSIF
- UN Environment Finance Initiative (UNEP FI)

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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Private

SG 12	Mandatory	Core Assessed	PRI 4
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**SG 12.1** Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

**SG 12.2** Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

- We use investment consultants in our selection and appointment of external managers
- We use investment consultants in our monitoring of external managers
- We do not use investment consultants for selection, appointment and monitoring of external managers.

**SG 12.4** Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Other, specify (1)

**Describe how responsible investment is incorporated**

The PPF's Investment Committee uses investment consulting services for the purposes of reviewing the Statement of Investment Principles, which includes a dedicated section on RI and Corporate Governance. We also review published research and white papers from a range of investment consultants on an ad-hoc basis.

- Other, specify (2)
- Other, specify (3)
- None of the above

- No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1
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**SG 13.1** Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

**Describe**

We have started reviewing a range of scenario analysis data and tools that are currently available, and how they can potentially assist us in understanding future risks and opportunities associated with ESG and climate-related factors specifically (by asset class, sector and overall strategic asset allocation).

- No, not to assess future ESG/climate-related issues

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

**We do the following**

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

We are reviewing scenario analysis data/tools, and how they can potentially assist us in understanding future risks as part of strategic asset allocation

- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Voluntary	Descriptive	General
Private			
SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			
SG 14 CC	Voluntary		General
Private			
SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			
SG 16	Mandatory	Descriptive	General
SG 16.1	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.		
<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>		
Cash	Our RI standards are applied across asset classes, regardless of threshold weighting. We are consistent in our approach, but expectations of how RI considerations are integrated vary from asset class to asset class depending on relevance and availability of best practice.		
SG 17	Mandatory	Descriptive	General
SG 17.1	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.		
<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>		
Hedge funds - DDQ	<div style="border: 1px solid black; padding: 5px;">           Select whether you use the PRI Hedge Fund DDQ  <input checked="" type="radio"/> Yes  <input type="radio"/> No         </div>		
Hedge funds	Please see additional information.		
Forestry	Please see additional information.		
Farmland	Please see additional information.		
Other (1) [as defined in Organisational Overview module]	Please see additional information.		
SG 17.2	Additional information.		
<p>For all externally managed assets, whether a specific PRI asset class module has yet to be developed or not, we address ESG as we would with any fund manager. We actively review the relevant best practice materials and guidance to inform our processes.</p> <p>As part of any initial assessment of a new fund manager, the Investment Team and Head of ESG will first satisfy themselves that the manager has robust RI policies in place, and second, where any related processes are identified as requiring strengthening, secure a commitment on the part of the manager to do so.</p> <p>Through our in-house manager reporting system, we monitor and record the ESG performance of all our external Fund Managers on an ongoing basis. These records are reviewed by a senior member of the Investment Team and the Head of ESG, and are presented to our Assets and Liabilities Committee, Investment Committee and Executive Committee, throughout the year.</p>			
SG 18	Voluntary	Descriptive	General
Private			
SG 19	Mandatory	Core Assessed	PRI 2, 6
SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.		
Selection, Appointment and Monitoring			
Do you disclose?			
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public			
The information disclosed to clients/beneficiaries is the same			
<input checked="" type="radio"/> Yes			

No

**Disclosure to public and URL**

Disclosure to public and URL	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes	
<input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf	
<input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership	
<input type="checkbox"/> Other	
Annually	
<a href="https://www.ppf.co.uk/responsible-investment">https://www.ppf.co.uk/responsible-investment</a>	

**Listed equity - Engagement**

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public.	
<input type="radio"/> We disclose to clients/beneficiaries only.	
<input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes	
<input type="radio"/> No	

**Disclosure to public and URL**

Disclosure to public and URL	
<input checked="" type="checkbox"/> Details on the overall engagement strategy	
<input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals	
<input checked="" type="checkbox"/> Number of engagements undertaken	
<input checked="" type="checkbox"/> Breakdown of engagements by type/topic	
<input checked="" type="checkbox"/> Breakdown of engagements by region	
<input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives	
<input checked="" type="checkbox"/> Examples of engagement cases	
<input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)	
<input type="checkbox"/> Details on whether the provided information has been externally assured	
<input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement	
<input type="checkbox"/> Other information	
Quarterly or more frequently	
<a href="https://www.ppf.co.uk/responsible-investment">https://www.ppf.co.uk/responsible-investment</a>	

**Listed equity – (Proxy) Voting**

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public.	
<input type="radio"/> We disclose to clients/beneficiaries only.	
<input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes	
<input type="radio"/> No	

**Disclosure to public and URL**

Disclosure to public and URL	
<input type="radio"/> Disclose all voting decisions	
<input checked="" type="radio"/> Disclose some voting decisions	
<input type="radio"/> Only disclose abstentions and votes against management	

Quarterly or more frequently
<a href="https://www.ppf.co.uk/responsible-investment">https://www.ppf.co.uk/responsible-investment</a>

**Fixed income**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

**Disclosure to public and URL**

**Disclosure to public and URL**

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

Annually

<a href="https://www.ppf.co.uk/responsible-investment">https://www.ppf.co.uk/responsible-investment</a>
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**SG 19.2 Additional information [Optional]**

The PPF provides periodic updates to DWP on the delivery of the investment strategy. This would include updates to our RI strategy where appropriate.

**SAM 01.1** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies				
Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

  

Passive investment strategies	
Passive investment strategies	Listed Equity
Screening	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 02.2** Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy							
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

  

ESG people/oversight							
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Process/portfolio construction/investment valuation**

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 02.3 Indicate the selection process and its ESG/RI components**

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

**SAM 02.4 When selecting external managers does your organisation set any of the following:**

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Ability to deliver ESG requirements (e.g. incorporation of ESG into fund terms, IMAs, side letters, etc)

SAM 03

Mandatory

Additional Assessed

PRI 2

**SAM 03.1** Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement				
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)
Review the manager's engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other engagement issues in your selection process specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting	
	LE
Review the manager's voting policy	<input checked="" type="checkbox"/> Review the manager's voting policy - LE
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/> Review the manager's ability to align voting activities with clients' specific voting policies - LE
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/> Review the manager's process for informing clients about voting decisions - LE
Ensure whether voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/> Ensure that voting outcomes feed back into the investment decision-making process - LE
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/> Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale - LE
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/> Other active ownership voting issues in your selection process; specify - LE

**SAM 03.2** Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

**SAM 03.3** Describe how you assess if the manager's voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

**SAM 04** Mandatory Core Assessed PRI 1

**SAM 04.1** Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

**SAM 04.2** Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class
<input checked="" type="checkbox"/> Listed equity (LE)



<b>Benchmark</b>
<input checked="" type="checkbox"/> We do not set benchmarks
<b>ESG Objectives</b>
<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify <p style="margin-left: 20px;">We look for adherence to a restriction on a small number of issuers with exposure to controversial activities or production</p> <input checked="" type="checkbox"/> ESG integration, specify <p style="margin-left: 20px;">Fund Managers are asked to confirm how they integrate ESG factors into their investment decisions and ownership activities at each of the following stages: (1) Initial Screening, (2) Due Diligence and (3) Investment Decision, (4) Investment Monitoring</p> <input checked="" type="checkbox"/> Engagement, specify <p style="margin-left: 20px;">Fund Managers are asked what percentage of underlying companies they have recently (preferably in the last quarter) raised ESG issues with, either formally and informally</p> <input checked="" type="checkbox"/> Voting, specify <p style="margin-left: 20px;">Fund Managers are required to provide a detailed explanation of how they exercise their voting rights</p> <input checked="" type="checkbox"/> Promoting responsible investment <p style="margin-left: 20px;">Fund managers asked if they are a PRI signatory, members of working groups/committees, supporter of key initiatives (e.g. TCFD, CDP, Climate Action 100+)</p> <input type="checkbox"/> ESG specific improvements <input checked="" type="checkbox"/> ESG guidelines/regulation, principles/standards, specify <p style="margin-left: 20px;">Managers are required to adhere to the Board's commitment to responsible ownership, as set out in our Statement of Principles. They are also required to be cognisant of the Principles for Responsible Investment of which the Board is a signatory to, and UN Global Compact.</p> <input type="checkbox"/> Other, specify
<b>Incentives and controls</b>
<input checked="" type="checkbox"/> We do not set incentives and controls
<b>Reporting requirements</b>
<input type="radio"/> Monthly <input checked="" type="radio"/> Quarterly <input type="radio"/> Bi-annually <input type="radio"/> Annually <input type="radio"/> Ad-hoc/when requested <input checked="" type="checkbox"/> Fixed income - SSA (SSA)
<b>Benchmark</b>
<input checked="" type="checkbox"/> We do not set benchmarks
<b>ESG Objectives</b>
<input type="checkbox"/> ESG related strategy, specify <input checked="" type="checkbox"/> ESG related investment restrictions, specify <p style="margin-left: 20px;">We look for adherence to a restriction on a small number of countries under specific sanctions</p> <input checked="" type="checkbox"/> ESG integration, specify <p style="margin-left: 20px;">as above</p> <input checked="" type="checkbox"/> Engagement, specify <p style="margin-left: 20px;">Fund Managers are asked what percentage of underlying issuers they have recently (preferably in the last quarter) raised ESG issues with, either formally and informally</p> <input type="checkbox"/> Voting, specify <input checked="" type="checkbox"/> Promoting responsible investment <p style="margin-left: 20px;">as above</p> <input type="checkbox"/> ESG specific improvements <input checked="" type="checkbox"/> ESG guidelines/regulation, principles/standards, specify <p style="margin-left: 20px;">as above</p> <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">The vast majority of our internally managed SSA holdings are UK Gilts, used to match our members' liability benchmark</p>
<b>Incentives and controls</b>
<input checked="" type="checkbox"/> We do not set incentives and controls

Reporting requirements	
<input type="radio"/>	Ad-hoc/when requested
<input type="radio"/>	Annually
<input type="radio"/>	Bi-annually
<input checked="" type="radio"/>	Quarterly
<input type="radio"/>	Monthly
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
Benchmark	
<input checked="" type="checkbox"/>	We do not set benchmarks
ESG Objectives	
<input type="checkbox"/>	Other, specify
<input type="checkbox"/>	ESG related strategy, specify
<input checked="" type="checkbox"/>	ESG related investment restrictions, specify
	We look for adherence to a restriction on a small number of issuers with exposure to controversial activities or production
<input checked="" type="checkbox"/>	ESG integration, specify
	as above
<input checked="" type="checkbox"/>	Engagement, specify
	Fund Managers are asked what percentage of underlying issuers they have recently (preferably in the last quarter) raised ESG issues with, either formally and informally
<input type="checkbox"/>	Voting, specify
<input checked="" type="checkbox"/>	Promoting responsible investment
	as above
<input type="checkbox"/>	ESG specific improvements
<input checked="" type="checkbox"/>	ESG guidelines/regulation, principles/standards, specify
	as above
<input type="checkbox"/>	Other, specify
Incentives and controls	
<input checked="" type="checkbox"/>	We do not set incentives and controls
Reporting requirements	
<input type="radio"/>	Ad-hoc/when requested
<input type="radio"/>	Annually
<input type="radio"/>	Bi-annually
<input checked="" type="radio"/>	Quarterly
<input type="radio"/>	Monthly
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
Benchmark	
<input checked="" type="checkbox"/>	We do not set benchmarks
ESG Objectives	
<input type="checkbox"/>	Other, specify
<input type="checkbox"/>	ESG related strategy, specify
<input checked="" type="checkbox"/>	ESG related investment restrictions, specify
	We look for adherence to a restriction on a small number of issuers with exposure to controversial activities or production
<input checked="" type="checkbox"/>	ESG integration, specify
	as for Corporates (financial)
<input checked="" type="checkbox"/>	Engagement, specify
	as for Corporates (financial)
<input type="checkbox"/>	Voting, specify
<input checked="" type="checkbox"/>	Promoting responsible investment
	as for Corporates (financial)
<input type="checkbox"/>	ESG specific improvements
<input checked="" type="checkbox"/>	ESG guidelines/regulation, principles/standards, specify
	as for Corporates (financial)

Other, specify

#### Incentives and controls

We do not set incentives and controls

#### Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

Private equity

#### Benchmark

We do not set benchmarks

#### ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
  - We look for adherence to a restriction on a small number of issuers with exposure to controversial activities or production
- ESG integration, specify
  - Fund Managers are asked to confirm how they integrate ESG factors into their investment decisions and ownership activities at each of the following stages: (1) Initial Screening, (2) Due Diligence and (3) Investment Decision, (4) Ownership and management of companies (including advisory committee roles), (5) Investment Monitoring and (6) Realisation/Exit
- Engagement, specify
  - Fund Managers are asked what percentage of underlying companies (by value) have they recently raised ESG issues with, either formally and informally
- Voting, specify
  - Fund Managers are required to provide a detailed explanation of how they exercise their voting rights
- Promoting responsible investment
  - as above
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify
  - as above
- Other, specify

#### Incentives and controls

We do not set incentives and controls

#### Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

Property

#### Benchmark

We do not set benchmarks

#### ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
  - as above
- Engagement, specify
  - as above
- Voting, specify
- Promoting responsible investment
  - as above

- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify  
as above
- Other, specify

**Incentives and controls**

- We do not set incentives and controls

**Reporting requirements**

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

- Infrastructure

**Benchmark**

- We do not set benchmarks

**ESG Objectives**

- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify  
as above
- Engagement, specify  
as above
- Voting, specify
- Promoting responsible investment  
as above
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify  
as above
- Other, specify

**Incentives and controls**

- We do not set incentives and controls

**Reporting requirements**

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

**SAM 04.3 Indicate which of these actions your organisation might take if any of the requirements are not met**

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

**SAM 05 Mandatory Core Assessed PRI 1**

**SAM 05.1 When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates**

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

With our internally managed SSA holdings being made up predominantly of Gilts, we collaborate with a number of RI and industry bodies. This dialogue is supported by our relationship with Central Government, via the DWP, with who we retain an active dialogue.

**SAM 05.2** When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity	Property	Infrastructure
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG performance minimum threshold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Real world economy targets	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

As outlined elsewhere, we require our fund managers to provide full updates on their ESG activities/initiatives as part of our monthly/quarterly meetings, Our assessment of their performance, referencing PPF Policies, is then ranked and recorded on our internal manager ratings system, which is turned is reviewed by the CIO, ALCO (mthly) and Investment Committee (qtrly)

**SAM 06** Mandatory Additional Assessed PRI 1

**SAM 06.1** When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement				
	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Alignment with any eventual engagement programme done internally	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify	
We expect our fund managers to engage with underlying issuers around relevant ESG issues, which is clearly stated in IMAs, etc	
(Proxy) voting	
	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/> Report on voting undertaken (with outcomes and examples) - LE
Report on voting decisions taken	<input checked="" type="checkbox"/> Report on voting decisions taken - LE
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/> Adherence with the agreed upon voting policy - LE
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input checked="" type="checkbox"/> Other RI considerations relating to (proxy) voting in investment management agreements; specify - LE
None of the above	<input type="checkbox"/> None of the above - LE
If you select any 'Other' option(s), specify	
Hermes EOS are appointed as proxy agent to undertake the above activities for our segregated funds. They provide detailed updates on their activities which is reviewed quarterly and is subsequently made publically available via the PPF website.	
For pooled funds, we expect the fund managers to report to us on voting and engagement activities within the fund's investments.	

SAM 07	Mandatory	Core Assessed	PRI 2
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SAM 07.1	For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.
<input checked="" type="checkbox"/> Votes cast (to the nearest 5%) 100%	
Specify the basis on which this percentage is calculated.	
<input checked="" type="checkbox"/> Of the total number of ballot items on which they could have issued instructions <input type="checkbox"/> Of the total number of company meetings at which they could have voted <input type="checkbox"/> Of the total value of your listed equity holdings on which they could have voted	
<input type="checkbox"/> We do not collect this information.	

SAM 07.2	For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year.
145 30Proportion (to the nearest 5%)	

SAM 07.3	Additional information [OPTIONAL]
Please note that the data provided in SAM 07.1 and 07.2 relates to the PPF's segregated accounts (for which Hermes EOS carries out engagement and voting activities). Unfortunately, the level of reporting on our assets from our managers of pooled fund investments is much more limited, something that we are actively working on to address.	

SAM 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			

SAM 09	Mandatory	Additional Assessed	PRI 1,6
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SAM 09.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
<input checked="" type="checkbox"/> Add Example 1	
Topic or issue	Evolution of RI DDQ by asset class
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Building out asset class specific RI DDQ templates, based on the PRI's recommended DDQ templates and evolving best practice
Outcomes	This has enabled us to review more detailed responses on ESG practices of potential new managers, and challenge them on their responses during the selection process.
<input checked="" type="checkbox"/> Add Example 2	
Topic or issue	Incorporation of ESG expectations in fund terms
Conducted by	Internal staff
Asset class	All asset classes

Scope and process	We have utilised the PRI Asset owner guidance around incorporating ESG into fund terms and clauses, to better state our expectations on ESG integration and reporting
Outcomes	This is allowing us to discuss evolving best practice with new managers and ensure that our own evolving expectations are understood by them.

Add Example 3

Topic or issue	TCFD reporting
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	As a recent supporter of the TCFD recommendations, we have started asking our managers about whether they are committed to the TCFD initiative/understanding their exposure to potential climate-related risks and how they are considering reporting on this.
Outcomes	We recognise that the industry is still in the early stages of understanding the implications of the TCFD recommendations, so see this as something that will evolve over time.

Add Example 4

Add Example 5

Add Example 6

Add Example 7

We are not able to provide examples

**SAM 09.2** Additional information.

RI criteria are formally part of our manager selection and monitoring process. Weights given to RI considerations vary from asset class to asset class depending on relevance and availability of best practice. As part of the appointment process we include RI due diligence, where appropriate, through dedicated meetings. Our investment team monitors the degree to which managers' RI approach is aligned with our requirements. The team uses a RI rating (red, amber or green) which is fully integrated into the PPF's wider performance-monitoring framework. The RI rating is one of a number of equally weighted qualitative factors assessing manager performance more widely and which sit alongside a quantitative performance assessment. No single factor determines the view we take of our managers. Our fund managers are required to report RI issues alongside investment performance, and RI is a standing agenda item in manager meetings. The team engages with fund managers on their rating. Since the introduction of the rating, the majority of our fund managers have taken steps towards better alignment with the PPF's RI policies, and RI reporting has significantly improved in quantity and quality.

LEA 01.1 Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

Hermes EOS Engagement Plan 2018-2020 (Public version).pdf

URL provided:

LEA 01.3 Indicate what your active engagement policy covers:

#### General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

#### Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;

(Proxy) voting approach

#### Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other specify;

Other

#### Please describe

Our dedicated engagement and voting provider employs a specific policy. We are also drafting a stewardship policy that will incorporate our pooled fund investments too

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

LEA 01.5 Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following.

- Outline of service providers role in implementing organisation's active ownership policy
- Description of considerations included in service provider selection and agreements
- Identification of key ESG frameworks service providers must follow
- Outline of information sharing requirements of service providers
- Description of service provider monitoring processes
- Other, specify



- None of the above
- No

**LEA 01.6** Additional information [optional]

Our service provider Hermes EOS engages with companies on behalf of its clients on environmental, social, governance, strategy, risk and communication issues with the goal of achieving beneficial change with respect to risk management, value creation and reputation. Engagements are objective-driven and follow a structured, milestone-driven approach. Interactions are sought at the board, senior management and specialist level, which is complemented by collaborations with other investors where appropriate. The work is carried out by a multinational team with diverse experience and skills. All company engagements are sought to be complementary to Hermes EOS' public policy, best practice and voting work.

**LEA 02** Mandatory Core Assessed PRI 1,2,3

**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

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 checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <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 checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider 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 checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

**LEA 02.2** Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

**LEA 02.3** Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss next steps for engagement activity
- Participate directly in certain engagements with your service provider
- Other; specify
- We play no role in engagements that our service provider conducts.

No

**LEA 02.4** Additional information. [Optional]

We actively monitor and review the activities of our service provider Hermes EOS through quarterly service review meetings and regular reports. Hermes EOS provide a client facing portal which allows us to refer to the full history of engagement with each company and track progress. Hermes EOS offers opportunities to feed into the engagement selection process as well as ad-hoc engagement progress discussions and direct participation in engagements where appropriate at client request.

**LEA 03** Mandatory Core Assessed PRI 2

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements

Individual / Internal engagements	<table border="1"> <tr> <th colspan="2">Internal / Individual engagements</th> </tr> <tr> <td><input type="checkbox"/></td> <td>Geography / market of the companies</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Materiality of the ESG factors</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Exposure (size of holdings)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Responses to ESG impacts that have already occurred</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Responses to divestment pressure</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Consultation with clients/beneficiaries</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Follow-up from a voting decision</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Client request</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Breaches of international norms</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other, specify</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not outline engagement criteria for our individual engagements.</td> </tr> </table>	Internal / Individual engagements		<input type="checkbox"/>	Geography / market of the companies	<input checked="" type="checkbox"/>	Materiality of the ESG factors	<input checked="" type="checkbox"/>	Exposure (size of holdings)	<input type="checkbox"/>	Responses to ESG impacts that have already occurred	<input type="checkbox"/>	Responses to divestment pressure	<input type="checkbox"/>	Consultation with clients/beneficiaries	<input type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)	<input checked="" type="checkbox"/>	Follow-up from a voting decision	<input type="checkbox"/>	Client request	<input checked="" type="checkbox"/>	Breaches of international norms	<input type="checkbox"/>	Other, specify	<input type="checkbox"/>	We do not outline engagement criteria for our individual engagements.				
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No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input checked="" type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
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Collaborative engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service provider engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers.

**LEA 04.2** Additional information. [Optional]  
 Our service provider Hermes EOS conducts engagements using specific milestone-driven objectives for most companies in its engagement programme.

**LEA 05** **Mandatory** **Core Assessed** **PRI 2**

**LEA 05.1** Indicate if you monitor and/or review engagement outcomes.

Individual / Internal engagements	<input type="radio"/> Yes, in all cases <input type="radio"/> Yes, in majority of cases <input checked="" type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.
Service provider engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our service providers.

**LEA 05.2** Indicate if you do any of the following to monitor and review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
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**LEA 06** **Mandatory** **Additional Assessed** **PRI 2,4**

**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

**LEA 06.2** Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors

- Voting against the board of directors or the the annual financial report
  - Submitting nominations for election to the board
  - Seeking legal remedy / litigation
  - Reducing exposure (size of holdings)
  - Divestment
  - Other, specify
- No

**LEA 06.3** Additional information. [Optional]

Our service provider Hermes EOS continually reviews the progress of its engagements and considers whether to intensify efforts and escalate the engagement or discontinue the objectives as the situation demands. Our service provider keeps us informed of the progress through quarterly reporting as well as a client portal.

LEA 07	Voluntary	Additional Assessed	PRI 1,2
Private			

LEA 08	Mandatory	Gateway	PRI 2
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**LEA 08.1** Indicate if you track the number of your engagement activities.

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

**LEA 08.2** Additional information. [OPTIONAL]

Hermes EOS' regular reporting provides full disclosure on the number of engagements conducted on our behalf.

LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
Private			

LEA 10	Voluntary	Additional Assessed	PRI 2
Private			

LEA 11	Voluntary	Descriptive	PRI 2
Private			

LEA 12	Mandatory	Descriptive	PRI 2
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.

**Based on**

- the service provider voting policy we signed off on
- our own voting policy
- our clients' requests or policies
- other, explain

We review votes ahead of time against our Statement of Stewardship Principles (available on our website), and our (non-public) Standard of Diligence.

- We hire service provider(s) who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Hermes EOS provide us with voting recommendations based on our voting policy which are input on the voting platform prior to the vote deadline. The

voting recommendations are then cast as voting instructions if there is no further intervention, except in the case of shareblocking votes.

**LEA 12.3** Additional information.[Optional]

We are currently evolving our voting policy.

**LEA 13** Mandatory Additional Assessed PRI 2

**LEA 13.1** Of the voting recommendations that your service provider made in the reporting year, indicate the percentage reviewed by your organisation, giving reasons.

Percentage of voting recommendations your organisation reviewed

- 100-75%,
- 74-50%,
- 49-25%,
- 24-1%
- None

Reasons for review

- Specific environmental and/or social issues
- Votes for significant holdings
- Votes against management and/or abstentions
- Conflicts of interest
- Corporate action, such as M&As, disposals, etc.
- Votes concerning companies with which we have an active engagement
- Client requests
- Ad-hoc oversight of service provider
- Shareholder resolutions
- Share blocked securities
- Other, explain

**LEA 14** Voluntary Additional Assessed PRI 2

Private

**LEA 15** Mandatory Descriptive PRI 2

**LEA 15.1** Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2** Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

Explain

In order to help progress engagement (driving change), as well as to help clarify matters at hand to inform better voting decisions

**LEA 15.3** Additional information. [Optional]

Our voting recommendation and engagement provider Hermes EOS interacted with companies around 949 meetings in 2018. This would usually be ahead of meetings and as a result of concerns around the vote or an anticipated vote against management.

**LEA 16** Mandatory Core Assessed PRI 2

**LEA 16.1** Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.

- 100%
- 99-75%

- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 16.2** Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

**Explain**

Our voting recommendation and engagement provider Hermes EOS interacted with companies around 949 meetings in 2018. This would usually be ahead of meetings and as a result of concerns around the vote or an anticipated vote against management.

**LEA 16.3** In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 17** **Mandatory** **Core Assessed** **PRI 2**

**LEA 17.1** 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.

- We do track or collect this information

**Votes cast (to the nearest 1%)**  
100%

**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 17.3** Additional information. [Optional]

Our service provider Hermes EOS submits vote recommendations on all ballots available to vote in the portfolios for which we have subscribed to their proxy voting service

**LEA 18** **Voluntary** **Additional Assessed** **PRI 2**

Private

**LEA 19** **Mandatory** **Core Assessed** **PRI 2**

**LEA 19.1** Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

**LEA 19.3** Additional information. [Optional]

We do not have a formalised escalation strategy in place but we are reviewing our voting policy, to which this matter will be given consideration.

**LEA 20** **Voluntary** **Descriptive** **PRI 2**

Private

**LEA 21** **Voluntary** **Descriptive** **PRI 2**

Private

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	100
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Under SAAs, and owing to our LDI programme, the vast majority of our holding is in Gilts. Given the issuer and our legislative status (reporting to the DWP), the level of ESG integration possible is currently limited, however we do engage with relevant bodies around specific issues (e.g. LIBOR).

For internally managed credit, we operate an ESG integration strategy.

Private

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description  
 Alongside frequent ESG reviews with our Managers, we also retain the services of external analytics providers, as a means of independently verifying our internal processes

None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 10.1 Describe your approach to integrating ESG into traditional financial analysis.

We do seek to undertake financial analysis of ESG factors in our investment decision making, incorporating it as one of the criteria in determining whether to invest or not

FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA  
 See previous responses. Our SSA holding is made up predominantly of Gilts and hence our integration is based on working with external Government

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.		
			SSA
	ESG analysis is integrated into fundamental analysis		<input type="checkbox"/>
	ESG analysis is used to adjust the internal credit assessments of issuers.		<input checked="" type="checkbox"/>
	ESG analysis is used to adjust forecasted financials and future cash flow estimates.		<input type="checkbox"/>
	ESG analysis impacts the ranking of an issuer relative to a chosen peer group.		<input type="checkbox"/>
	An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.		<input type="checkbox"/>
	The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.		<input type="checkbox"/>
	Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.		<input type="checkbox"/>
	ESG analysis is integrated into portfolio weighting decisions.		<input type="checkbox"/>
	Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.		<input type="checkbox"/>
	The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.		<input type="checkbox"/>
	Other, specify		<input type="checkbox"/>

FI 12	Mandatory	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.		
	Environment	Social	Governance
SSA	Environmental	Social	Governance
	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all

FI 12.2	Please provide more detail on how you review E, S and/or G factors in your integration process.		
	SSA		
	Please refer to previous responses		

FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
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Private

FI 18	Voluntary	Descriptive	PRI 1,2
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Private



CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input type="radio"/> Whole PRI Transparency Report has been internally verified</li> <li><input checked="" type="radio"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 01.2	Additional information [OPTIONAL]		
<p>As a member of Hermes Fund Managers Limited, our service provider Hermes EOS was subject to an AAF audit during 2018 which scrutinised the controls in place around its activities on behalf of clients. Hermes EOS is also subject to quarterly risk/control reviews by Hermes Fund Managers Limited internal audit, and reports monthly to the Hermes Fund Managers Limited compliance function.</p>			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input type="checkbox"/> CEO or other Chief-Level staff <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input type="checkbox"/> Compliance Function <input type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams			
		What data has been verified	
<input checked="" type="checkbox"/> Policies <input checked="" type="checkbox"/> Overarching strategy and processes <input checked="" type="checkbox"/> Asset class specific processes <input checked="" type="checkbox"/> Quantitative data related to RI processes <input type="checkbox"/> Other			
		Relevant modules	
<input checked="" type="checkbox"/> Organisational Overview			

- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Legal Department
- Other (specify)