

Wespath Investment Management (General Board of Pension and Health Benefits of the United Methodist Church)

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 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

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

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Public				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

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

Indirect - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Public								✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public								✓
IFI 03	Including issues referred to in the PIIF	✓	Public								✓
IFI 04	Monitoring managers' implementation of the PIIF	✓	Public								✓
IFI 05	Managers provide information in line with established industry standards	✓	Public								✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public								✓
IFI 07	Contributing to promotion of RI in inclusive finance	✓	Public								✓

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Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

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

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

OO 01.2 Additional information. [Optional]

We are a church-related pension fund serving both clergy and lay participants.

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

United States

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

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

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

FTE

250

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
- ☒ No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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31/12/2014

OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.
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	trillions	billions	millions	thousands	hundreds
Total AUM		20	865	107	000
Currency	USD				
Assets in USD		20	865	107	000

OO 04.5	Indicate the level of detail you would like to provide about your asset class mix.
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- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1	To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.
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- ☒ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	50
Fixed income – corporate	0	14
Fixed income – government	0	14
Fixed income – other	0	7
Private debt	0	0
Private equity	0	1
Property	0	2
Infrastructure	0	0
Commodities	0	1

Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	1
Cash	0	6
Other (1), specify	4	0
Other (2), specify	0	0

'Other (1)' specified

Positive social purpose lending, including affordable housing and community development loans

- ☐ Publish our asset class mix as broad ranges
- ☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2	Indicate the proportion of your externally managed assets in fund-of-funds.
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	% of externally managed assets
Fund-of-funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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The General Board of Pension and Health Benefits, including its Wespath Investment Management division, is a not-for-profit administrative agency of The United Methodist Church, with Church-authorized fiduciary responsibility for the benefit plans it administers and the assets it invests.

Prudent investment management decisions are an ongoing, long-term priority, supporting benefit plans for more than 91,000 participants and approximately \$21 billion in assets managed on their behalf, and for many United Methodist-affiliated endowments, foundations and other institutions. This fiduciary obligation reflects the stated values of the Church and helps ensure financial, environmental and social sustainability across all investments.

We are the largest reporting faith-based pension fund and among the top 100 pension funds in the United States. As a sustainable investor, we are committed to active ownership through corporate and public policy engagement, proxy voting and the management of excessive sustainability risk. Through our Positive Social Purpose Lending program, we invest in affordable housing, community development and expanded loan opportunities for disadvantaged communities worldwide.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☒ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
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Positive social purpose lending, including affordable housing and community development loans

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☒ Private equity
- ☒ Property
- ☐ Commodities
- ☒ Inclusive finance
- ☒ Cash
- ☐ None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below.
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This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity active ownership
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting

RI implementation via external managers

	Indirect - Selection, Appointment and Monitoring of External Managers
<input checked="" type="checkbox"/>	Listed Equities
<input type="checkbox"/>	Fixed Income - Corporate
<input type="checkbox"/>	Fixed Income - Government
<input type="checkbox"/>	Fixed Income - Other
<input type="checkbox"/>	Private Equity
<input type="checkbox"/>	Property
<input type="checkbox"/>	Cash
<input checked="" type="checkbox"/>	Inclusive Finance

Closing module

- ☒ Closing module

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Reported Information

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Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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The General Board of Pension and Health Benefits works to promote corporate sustainability and increase value for investors by engaging companies and public policy makers on environmental, social and governance (ESG) issues, actively voting proxies and managing excessive sustainability risk.

In addition, we seek to avoid investing in companies that produce and/or provide products and services that are not aligned with United Methodist values. We also offer affordable housing, community development and other loan opportunities for underserved communities around the world through our Positive Social Purpose Lending Program.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- ☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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http://www.gbophb.org/assets/1/7/investment_policy.pdf

- ☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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- ☒ Yes
☒ Yes, all
☐ Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Proxy Voting Guidelines	http://www.gbophb.org/assets/1/7/proxy_guide.pdf
Human Rights Investment Guideline	http://www.gbophb.org/humanrights/
Climate Change Investment Guideline	http://www.gbophb.org/climatechange/

☐ No

OA 02.5

Additional information. [Optional]

Our responsible investment program is administered in a manner that is consistent with the polity, policies and values of The United Methodist Church.

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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Our responsible investment policy applies to all of our assets under management, but in limited circumstances, we allow exceptions when implementation of the policy is impractical.

OA 03.3	Additional information. [Optional]
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We have asset class-specific guidelines for our Positive Social Purpose Lending program.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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There is a corporate-wide conflicts of interest policy and a Financial Services code of ethics. The corporate-wide conflicts of interest policy addresses situations in which a conflict or potential conflict of interest could arise regarding employee investments held by Wespath. The Financial Services code of ethics covers employees in Wespath's treasury and investments divisions and their fiduciary duty to Wespath and its investors. This covers actual or potential conflicts of interest, personal trading and insider information.

☐ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
☒ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 06**Voluntary****Descriptive****General****OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	work with investment managers to promote ESG factors
Key performance indicators	identify five managers incorporating ESG factors in investment decision-making
Describe the progress achieved	managers identified and publicly recognized on our web page for activities undertaken

☒ Add responsible investment objective 2

Objective 2	follow-up with investment managers on our evaluations of manager ESG integration
Key performance indicators	create repository of information on advocacy and corporate engagement efforts; provide feedback on manager ESG integration
Describe the progress achieved	provided feedback to managers on ESG integration; continue to track advocacy and corporate engagement efforts

☒ Add responsible investment objective 3

Objective 3	incorporate advocacy initiatives on the environment and human rights into screening criteria
Key performance indicators	1) identify companies with environmental and human rights concerns; 2) benchmark relative performance to inform engagement and exclusion policies
Describe the progress achieved	launched two new investment guidelines (climate change and human rights) to inform ongoing engagement activities and exclusion decisions

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	update and enhance proxy voting guidelines
Key performance indicators	revised guidelines completed, approved by board of directors and implemented to guide 2015 voting activities

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	improve evaluation of external manager ESG integration
Key performance indicators	1) send updated evaluation questionnaire to managers; 2) conduct annual ESG appraisals; 3) provide feedback to managers; 4) benchmark manager performance

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	develop a strategy to evaluate the impact of climate change across portfolios
Key performance indicators	evaluate low-carbon positive impact investment opportunities and assess exposure to high-carbon industries; set strategies for future improvement

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
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Wespath's Investment Strategy Statement and Statement of Administrative Investment Policy describes the duties of the board of directors and management for executing the structures and processes related to responsible investment. Two board committees, the Fiduciary Committee and UMC Principles Committee, provide oversight of management's execution of its obligations as defined in these policies. A senior leadership team (SLT) comprised of the organization's five most senior officers (including the CIO) meets no less than quarterly with the staff of the organization's Investment Division (comprised of a Sustainable Investment Strategies Department and an Investment Management Department.) The staff provides the SLT with a series of reports related to its responsible investment obligations. The Sustainable Investment Strategies Department administers the organization's engagement, proxy voting, and screening processes and reports to the CIO. The Investment Management Department manages the organization's Positive Social Purpose Lending Program and ensures that the organization's external managers remain in compliance with the organization's responsible investment policies.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
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- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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4

OA 09	Voluntary	Additional Assessed	General
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OA 09.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- ☐ Responsible investment included in personal development and/or training plan
- ☒ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

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.

Select all that apply

☒ Principles for Responsible Investment

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

- ☐ Basic
☐ Moderate
☒ Advanced

- ☐ Asian Corporate Governance Association
☐ Association for Sustainable & Responsible Investment in Asia
☐ Australian Council of Superannuation Investors
☒ CDP Climate Change

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

- ☐ Basic
☒ Moderate
☐ Advanced

- ☐ CDP Forests
☒ CDP Water

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

- ☒ Basic
☐ Moderate
☐ Advanced

- ☐ CFA Institute Centre for Financial Market Integrity
☒ Council of Institutional Investors (CII)

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

- ☐ Basic
☒ Moderate
☐ Advanced

- ☐ Eumedion
☐ Extractive Industries Transparency Initiative (EITI)
☐ Global Investors Governance Network (GIGN)
☐ Global Real Estate Sustainability Benchmark (GRESB)
☐ Institutional Investors Group on Climate Change (IIGCC)
☒ Interfaith Center on Corporate Responsibility (ICCR)

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

- ☐ Basic
☐ Moderate
☒ Advanced

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

both member and board-level participation

- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☒ Investor Network on Climate Risk (INCR)/CERES

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
US SIF

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ 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
- ☐ Moderate
- ☐ Advanced
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify
National Council of State Housing Agencies

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

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

☒ Yes**OA 11.2**

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

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

☐ No**OA 12****Voluntary****Additional Assessed****PRI 4,5,6****OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2

Select the methods you have used.

- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☒ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<http://www.gbophb.org/investments/public-policy-statements/>☐ No☐ No**ESG issues in asset allocation**

OA 13	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
---------	--

☐ Yes

☒ No

OA 14	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
---------	---

☒ Yes

OA 14.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

	% of total AUM
--	----------------

4.3

OA 14.3	Please specify which thematic area(s) you invest in and provide a brief description.
---------	--

	Area
--	------

- ☐ Clean technology (including renewable energy)
- ☐ Green buildings
- ☒ Sustainable forestry

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☒ Property
- ☐ Inclusive finance
- ☐ Cash
- ☐ Other (1)

	Brief description of investment
--	---------------------------------

☐ Sustainable agriculture

☒ Microfinance

	Asset class invested
--	----------------------

☐ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☐ Fixed income - other

☐ Private equity

☐ Property

☒ Inclusive finance

☐ Cash

☐ Other (1)

☐ SME financing

☒ Social enterprise / community investing

	Asset class invested
--	----------------------

☐ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☐ Fixed income - other

☐ Private equity

☐ Property

☐ Inclusive finance

☐ Cash

☒ Other (1)

Positive social purpose lending, including loans for the development of underserved communities

☒ Affordable housing

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☐ Inclusive finance
- ☐ Cash
- ☒ Other (1)

Positive social purpose lending, including affordable housing and homeless shelters

☒ Education

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☐ Inclusive finance
- ☐ Cash
- ☒ Other (1)

Positive social purpose lending, including loans for charter schools serving low- and moderate-income students

☒ Global health

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☐ Inclusive finance
- ☐ Cash
- ☒ Other (1)

Positive social purpose lending, including health care facilities

- ☐ Water
- ☐ Other area, specify
- ☐ No

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
---------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Other (1) [as defined in Organisational Overview module]	The Positive Social Purpose Lending Program seeks market-competitive returns, by acting as a source of long-term capital in traditionally underserved lending market niches. The program's philosophy is to help people who lack ready access to capital in their own communities by facilitating responsible, risk-adjusted investments. In addition to achieving market-competitive rates of return, the program seeks measurable social benefits that include the creation of multifamily housing, such as homeless shelters and affordable senior and special-needs housing that support low- and moderate-income communities.

OA 16	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 16.1	Describe how you address ESG issues for externally managed assets for which you are not required to report because your assets are below the minimum threshold.
---------	---

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - corporate	We seek investment managers who are PRI signatories or who incorporate ESG issues in investment decision-making. We inquire into our managers' ESG activities in our annual manager questionnaire. We ask questions about ESG capabilities in our RFPs. We evaluate managers' incorporation of ESG issues into investment decision-making.
Fixed income - government	We seek investment managers who are PRI signatories or who incorporate ESG issues in investment decision-making. We inquire into our managers' ESG activities in our annual manager questionnaire. We ask questions about ESG capabilities in our RFPs. We evaluate managers' incorporation of ESG issues into investment decision-making.
Fixed income - other	We seek investment managers who are PRI signatories or who incorporate ESG issues in investment decision-making. We inquire into our managers' ESG activities in our annual manager questionnaire. We ask questions about ESG capabilities in our RFPs. We evaluate managers' incorporation of ESG issues into investment decision-making.
Private equity	We seek investment managers who are PRI signatories or who incorporate ESG issues in investment decision-making. We inquire into our managers' ESG activities in our annual manager questionnaire. We ask questions about ESG capabilities in our RFPs. We evaluate managers' incorporation of ESG issues into investment decision-making.
Property	We seek to support managers who invest in LEED-certified building projects.
Cash	Cash investments are subject to our ethical exclusion guidelines

Innovation

OA 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

We use our positive social purpose lending program to help fund our pension liabilities while building relationships with community development institutions. The size and scale of this twenty-five year-old program has resulted in significant long-term benefits both to underserved communities and to our plan participants.

We have created (with assistance from a research firm with ESG expertise) a new investment fund that recognizes superior environmental and human rights performance.

We have created a new policy on the management of excessive sustainability risk. When ESG issues present an excessive degree of sustainability risk to our funds due to their fiduciary implications and their importance to The United Methodist Church, we may develop a guideline regarding company- specific engagement priorities. This guideline may lead to the exclusion of certain companies until the risk of holding

securities in the affected companies has been resolved or the Board believes it cannot reasonably mitigate the sustainability risk.

☐ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
----------------	---

☒ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
----------------	--

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
----------------	---

All answers have been considered and reviewed by members of the investments division including the Chief Investment Officer.

☐ No

Wespath Investment Management (General Board of Pension and Health Benefits of the United Methodist Church)

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

RFPs include questions on the incorporation of ESG factors; existing managers must report their ESG activities as part of the performance evaluation process; managers are assessed annually on their ESG performance.

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

☐ Yes

☒ No

SAM 03	Mandatory	Gateway	General
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SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

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

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General
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SAM 04.1 Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

SAM 05	Mandatory	Gateway	PRI 1,2
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SAM 05.1	Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:
-----------------	---

	Active investment strategies
--	------------------------------

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

	Passive investment strategies
--	-------------------------------

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

SAM 05.2

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	
We require our external managers to engage on our behalf	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

SAM 05.3

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE	
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Selection
SAM 06
Mandatory
Core Assessed
PRI 1-6
SAM 06.1

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

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

ESG incorporation

	LE		
Evaluate the quality and coverage of ESG research used by managers	<input type="checkbox"/>		
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>		
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>		
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>		
Evaluate index providers' ESG incorporation when designing the index	<input checked="" type="checkbox"/>		
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Appointment

SAM 07	Voluntary	Additional Assessed	PRI 4
---------------	------------------	----------------------------	--------------

SAM 07.1

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

	LE		
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>		
Other general RI considerations in investment management agreements, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

ESG incorporation

	LE		
Specific requirements relating to the incorporation of ESG issues into investment decision-making	<input type="checkbox"/>		
Other RI considerations relating to ESG incorporation in investment management agreements, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Reporting

	LE		
Reporting on the agreed responsible investment activities	<input checked="" type="checkbox"/>		
Reporting on the ESG characteristics of the portfolio	<input checked="" type="checkbox"/>		
Reporting on the impact of ESG issues on financial performance	<input checked="" type="checkbox"/>		
Other RI considerations relating to reporting in investment management agreements, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

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

We specifically ask our managers to abide by our ethical exclusion guidelines.

Monitoring

SAM 08

Mandatory

Core Assessed

PRI 1

SAM 08.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

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

ESG incorporation

	LE		
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>		
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

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

annual performance evaluation

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
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SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
-----------------	--

	%
--	---

78

SAM 15	Voluntary	Descriptive	PRI 2
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SAM 15.1	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.
-----------------	---

☒ Add Example 1

Topic or issue	ESG inclusion in the RFP process
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	evaluate managers on ESG capabilities as part of the overall RFP decision-making process
Outcomes	investment in the JP Morgan AIRRO fund (includes sustainable infrastructure)

☒ Add Example 2

Topic or issue	Investment Manager Agreement
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	ESG capabilities integrated into IMA templates
Outcomes	managers required to report annually on ESG integration

☒ Add Example 3

Topic or issue	annual external manager performance evaluation
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	annual evaluation includes explicit section on ESG performance
Outcomes	beginning to benchmark managers on ESG performance

☐ Add Example 4

☐ Add Example 5

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
---------------	------------------	----------------------	--------------

SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
-----------------	---

☒ Yes, we disclose information publicly

provide URL

<http://www.gbophb.org/news/?CategoryId=11>

SAM 16.2

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

☒ Yes

SAM 16.3

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

- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☐ Details of the responsible investment activities carried out by managers on your behalf
- ☒ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- ☐ Other, specify

☐ No

☐ Yes, we disclose information to clients/beneficiaries only

☐ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

Our web page (www.gbophb.org) is the primary source of information for our responsible investing activities. We have separate pages detailing our 1) ethical exclusions, 2) active ownership (engagement, proxy voting and management of excessive sustainability risk), and 3) Positive Social Purpose Lending Program. In addition, we maintain a news feature on the web where we discuss our most current activities.

We also share information through presentations, webinars and calls with various constituencies.

Wespath Investment Management (General Board of Pension and Health Benefits of the United Methodist Church)

Reported Information

Public version

Direct - Listed Equity Active Ownership

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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We believe that ESG issues have a significant impact on corporate financial performance and long-term investor value. Consequently, we are an active owner, seeking to improve company performance relating to material ESG issues by addressing public policy, engaging companies, voting proxies and managing excessive sustainability risk.

We engage companies on ESG risks and opportunities. These corporate engagements take many forms, including writing to company executives to alert them to issues; seeking resolution of concerns; requesting meetings or acknowledging positive actions taken; and dialoguing through face-to-face meetings and/or conference calls.

We also conduct public policy engagement focused on how macro-level ESG issues affect the structure, function and governance of markets as a whole and how they affect investors' interests. Public policy engagement may include supporting regulatory initiatives if, in our judgment, such action will improve the sustainability of our investments.

We also collect information on the engagement activities of our investment managers.

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

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

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 03.1

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

☒ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

Annually, staff members identify key sustainability issues relating to our funds. Engagement topics are researched and reviewed and submitted to senior management for approval. Subsequently, staff members select companies for engagement based on our exposure, sensitivity to impact on shareholder value and opportunities to collaborate with other partners.

☐ No

LEA 04	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 04.1

Indicate if you define specific objectives for your engagement activities.

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

LEA 04.2

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

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 04.3

Describe how you monitor and evaluate the progress of your engagement activities.

Besides remaining in direct communication with companies we have engaged, we review publications, including investor reports, participate in webinars sponsored by our engagement partners, monitor the engagement database of organizations such as the Interfaith Center on Corporate Responsibility and maintain active membership in a number of shareholder related organizations.

Engagements are evaluated based on progress in reaching engagement goals and objectives.

- ☐ No

Process for engagements conducted via collaborations**LEA 05****Mandatory****Core Assessed****PRI 2****LEA 05.1**

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

- ☒ Yes

LEA 05.2

Describe how you identify and prioritise collaborative engagements.

We choose our collaborative engagements based on the relevance to investor value, alignment with our strategic priorities, the risk to our portfolio and our ability to engage more efficiently with a broader set of companies.

- ☐ No

LEA 06**Mandatory****Core Assessed****PRI 2**

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

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

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
 - ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Besides remaining in direct communication with companies we have engaged, we review publications, including investor reports, participate in webinars sponsored by our engagement partners, monitor the engagement database of organizations such as the Interfaith Center on Corporate Responsibility and maintain active membership in a number of shareholder related organizations.

Engagements are evaluated based on progress in reaching engagement goals and objectives.

- ☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1 Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
---------------	------------------	------------------------------	--------------

LEA 10.1

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Outputs and outcomes**LEA 11****Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 2****LEA 11.1**

Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	14
Collaborative engagements	515

LEA 11.2

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 12

Voluntary

Additional Assessed

PRI 2

LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

	% Environmental only
--	----------------------

14

	% Social only
--	---------------

21

	% Corporate Governance only
--	-----------------------------

65

100%

	Collaborative engagements
--	---------------------------

	% Environmental only
--	----------------------

64

	% Social only
--	---------------

1

	% Corporate Governance only
--	-----------------------------

35

100%

LEA 12.3	Additional information.
-----------------	-------------------------

We consider engagements where we are the lead investor to be individual/internal staff engagements.

LEA 13	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

☒ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	2
Collaborative engagements	27

☐ No

LEA 14	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
-----------------	---

☒ Add Example 1

Topic or ESG issue	sustainability reporting including GHG reduction goals
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	to encourage Emerson Electric to adopt greenhouse gas reduction goals
Scope and Process	co-filed a shareholder resolution for consideration at the 2015 annual general meeting
Outcomes	resolution received nearly 40% of the shareholder vote

☒ Add Example 2

Topic or ESG issue	gender diversity on corporate boards
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	to increase the number of women serving on boards of directors (goal of 30% representation)
Scope and Process	supported a letter addressed to 100 companies on the Russell 1000 index
Outcomes	17 companies have added women to their boards

☒ Add Example 3

Topic or ESG issue	sustainability standards for stock exchanges
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	to encourage major stock exchanges to include sustainability indicators as a requirement for listing on the exchange
Scope and Process	letters sent to seven major stock exchanges and to investment managers holding shares in companies traded on the seven exchanges
Outcomes	resolution expected in late 2015

☒ Add Example 4

Topic or ESG issue	executive compensation recoupment policies
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	to encourage companies to adopt an executive compensation recoupment policy allowing shareholders to recover compensation paid to executives who have failed to meet financial targets or have violated laws
Scope and Process	11 companies added to this engagement
Outcomes	two companies announced adoption of new recoupment policies

☒ Add Example 5

Topic or ESG issue	carbon risk
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	to inquire into the management of risks relating to climate change, greenhouse gas emissions reduction and carbon assets
Scope and Process	letters sent to 45 energy companies
Outcomes	Chevron, Conoco Phillips and Exxon Mobil held meetings with concerned investors.

☒ Add Example 6

Topic or ESG issue	sustainability reporting
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	to review and suggest enhancements to Caterpillar's overall sustainability efforts
Scope and Process	Engagement is long-standing. In 2014, Caterpillar added "sustainability" as a core value and senior staff traveled to the company's headquarters for an in-person dialogue. Participants discussed recent improvements in the company's corporate governance standards and environmental performance. The company's human rights policy is under review.
Outcomes	We requested the opportunity to provide input into the human rights policy. The company agreed and the engagement is ongoing.

- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- ☒ We disclose it publicly

provide URL

<http://www.gbophb.org/sri/engagements-and-resolutions/>

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☐ Yes
- ☒ No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☐ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4

Indicate how frequently you typically report engagements information to the public.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☒ Other, specify
usually at least once every three to six weeks

LEA 15.5

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☐ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.6

Indicate how frequently you typically report engagements information to clients/beneficiaries.

- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

LEA 15.7

Describe any other differences in the information being disclosed. [Optional]

On a regular basis, clients/beneficiaries generally receive more detailed presentations concerning our entire investing program. Public reporting is more streamlined and time-sensitive.

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions**Overview****LEA 16****Voluntary****Descriptive****PRI 2****LEA 16.1**

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

We endeavor to vote all of our proxies, both U.S. and non- U.S., based on guidelines approved and updated annually by our board of directors. We have both filed and co-filed shareholder resolutions. We will consider filing (or co-filing) a resolution only after other engagement has failed and if we believe the resolution may effect positive change consistent with our fiduciary responsibilities.

Process**LEA 17****Mandatory****Descriptive****PRI 2****LEA 17.1**

Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

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

Based primarily on

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

LEA 19	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
----------	---

- ☐ Obtain confirmation that votes have been received by the company:
- ☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☒ None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2
--------	-----------	---------------------	-------

LEA 20.1	Indicate if your organisation has a securities lending programme.
----------	---

- ☒ Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
----------	---

Please select one of the following

- ☒ We recall most securities for voting on all ballot items
- ☐ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)
- ☐ No

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- ☐ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☒ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 22.1	For listed equities where you and/or your service provider has 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%)
--	--------------------------------

	%
--	---

97

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

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

LEA 23	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
----------	--

- ☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
----------	---

Voting instructions	Breakdown as percentage of votes cast				
For (supporting) management recommendations	<table border="1"> <tr> <td style="width: 20%;"></td> <td>%</td> </tr> <tr> <td colspan="2">67.7</td> </tr> </table>		%	67.7	
	%				
67.7					
Against (opposing) management recommendations	<table border="1"> <tr> <td style="width: 20%;"></td> <td>%</td> </tr> <tr> <td colspan="2">31.9</td> </tr> </table>		%	31.9	
	%				
31.9					
Abstentions	<table border="1"> <tr> <td style="width: 20%;"></td> <td>%</td> </tr> <tr> <td colspan="2">0.4</td> </tr> </table>		%	0.4	
	%				
0.4					

100%

LEA 23.3	For the reporting year, describe your approach towards voting on shareholder resolutions.
----------	---

In general, we vote shareholder resolutions according to our own proxy voting guidelines, but will evaluate all resolutions in light of the positions found in the Social Principles of The United Methodist Church.

In addition, we expect all resolutions to clearly articulate the request being made of the company and the arguments used to explain and defend the request.

We expect resolutions to be convincing. The arguments must address the specific language of the "resolved" clause. The sources cited to defend the arguments must be credible and respected. Most importantly, the proponents of the resolution must make a convincing "business case" to support the

actions called for. They must clearly link the requested actions with long-term shareholder value.

We expect shareholder requests to be reasonable and realistic. They should be within the realm of possibility and should provide companies with some flexibility to achieve the desired results.

We expects resolutions to be written according to widely accepted professional standards, showing both a balanced and consistent style and grammatical competence. The language of the resolution should be neither inflammatory nor overly polemical. The request or "resolved" clause should be at the beginning of the resolution and not the end.

☐ No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
----------	---

☒ Yes

LEA 24.2	Indicate the number of ESG shareholder resolutions you filed or co-filed.
----------	---

	Total number
--	--------------

2

LEA 24.3	Indicate what percentage of these ESG shareholder resolutions.
----------	--

Went to vote	<div><div></div>%</div> 50
Were withdrawn due to changes at the company and/or negotiations with the company	<div><div></div>%</div> 50
Were withdrawn for other reasons	<div><div></div>%</div> 0

	Total
--	-------

100%

	50-20% approval
--	-----------------

1

☐ No

LEA 25	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 25.1

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	board diversity
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	to promote gender diversity on boards of directors so that companies have access to the widest pool of talent when making director nominations
Scope and Process	voted against director nominees who served on the nominating or governance committees of companies where the board was less than 20% female
Outcomes	Campaigns to increase gender diversity (the 30% Coalition, for example) have made inroads with investors.

☒ Add Example 2

Topic or ESG issue	disclosure improvements
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	to encourage companies to publish reports on their plans to reduce greenhouse gas emissions
Scope and Process	voted for 22 shareholder resolutions calling for setting greenhouse gas emission reduction goals
Outcomes	Conoco Phillips agreed to set public reduction goals. We chose to file a shareholder resolution at Emerson Electric in the absence of better disclosure.

☒ Add Example 3

Topic or ESG issue	transparency relating to lobbying/political spending
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	to discover if a company's political contributions, lobbying activities and membership in trade associations or interest groups conflict with company policy statements or are at odds with the long-term interests of the company and shareholders
Scope and Process	voted "for" 80 shareholder resolutions on this topic
Outcomes	Resolutions at Duke Energy and Emerson Electric received nearly 50% of the shareholder vote.

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- ☒ We disclose it publicly

provide URL

<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=4ee14763-4dcc-483b-bea6-1868cce17674>

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

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

Indicate what level of explanation you provide

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

LEA 26.4

Indicate how frequently you typically report voting information.

- ☒ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Wespath Investment Management (General Board of Pension and Health Benefits of the United Methodist Church)

Reported Information

Public version

Indirect - Inclusive Finance

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.

Context

IFI 01	Mandatory to Report Voluntary to Disclose	Descriptive	General
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IFI 01.1	Indicate approximately what percentage (+/-10%) of your externally managed assets in inclusive finance are managed by PIIF signatories.
----------	---

- ☐ All
☒ Some

	% of your total externally managed assets in inclusive finance
--	--

0.01

IFI 01.2	Additional information. [Optional]
----------	------------------------------------

The percentage of assets managed by PIIF signatories is misleading. Historically, the percentage was 78% but has dropped significantly over time due to return of capital as well as reduced activity in this space in recent years. Our inclusive finance assets currently total \$2 million and are through a small provider that is not a PIIF signatory.

Selection

IFI 02	Mandatory	Core Assessed	General
--------	-----------	---------------	---------

IFI 02.1	Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:
----------	---

	Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)
--	--

- ☒ Yes
☐ No

	Integration of client protection in investment policies and practices. (Principle 2)
--	--

- ☐ Yes
☒ No

	Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)
--	--

- ☐ Yes
☒ No

	The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)
--	--

- ☒ Yes
☐ No

	Active promotion of transparency in all aspects. (Principle 5)
--	--

- ☒ Yes
☐ No

	Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)
--	---

- ☒ Yes
☐ No

	Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)
--	---

- ☒ Yes
☐ No

IFI 02.2	Additional information. [Optional]
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Our due diligence policies and procedures in place for the selection of investment managers in inclusive finance do not specifically mention the Principles but incorporate several of them into the process. Additionally, new external investment managers in inclusive finance must be PIIF signatories in order to be considered by Wespath.

Contractual agreements and mandate design

IFI 03	Mandatory	Core Assessed	General
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IFI 03.1	When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:
-----------------	---

	Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)
--	--

- ☐ Yes
☒ No

	Integration of client protection in investment policies and practices (Principle 2)
--	---

- ☐ Yes
☒ No

	Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)
--	--

- ☐ Yes
☒ No

	The inclusion of ESG issues in investment policies and reporting (Principle 4)
--	--

- ☐ Yes
☒ No

	Active promotion of transparency in all aspects (Principle 5)
--	---

- ☐ Yes
☒ No

	Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)
--	--

- ☐ Yes
☒ No

	Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)
--	--

- ☐ Yes
☒ No

Investment manager monitoring and reporting

IFI 04	Mandatory	Core Assessed	General
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IFI 04.1	Indicate if you monitor your current investment managers' implementation of the PIIF principles.
-----------------	--

- ☐ Yes
☒ No

IFI 04.3	Additional information. [Optional]
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Our investment manager is not a signatory, but we discuss their portfolio at least annually.

IFI 05	Voluntary	Additional Assessed	General
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IFI 05.1	Indicate if you require your investment managers to provide you with information in line with established industry standards.
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- ☐ Yes
☒ No

Disclosure

IFI 06	Mandatory	Core Assessed	General
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IFI 06.1	Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.
-----------------	---

- ☐ Yes, we disclose publicly
☐ Yes, we disclose to clients/beneficiaries only
☒ No

IFI 07	Voluntary	Descriptive	General
---------------	------------------	--------------------	----------------

IFI 07.1	Indicate if you contributed to the promotion of responsible investment in inclusive finance in the reporting year, beyond investment manager selection, appointment, monitoring and reporting.
-----------------	--

- ☒ Yes

IFI 07.2	Describe what actions you have taken and if these are delivered via a separate entity.
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The Managing Director, Investment Management, has assisted in the promotion of the PIIF via participation in the PIIF steering committee at the PRI, participation in industry panels, and discussions with other institutional investors.

- ☐ No