



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

# RI TRANSPARENCY REPORT

## 2013/14

Strathclyde Pension Fund

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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	✓	n/a							✓
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	🔒	n/a							✓
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	-	n/a	✓					✓	
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	✓	Public		✓					
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	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
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		✓				✓	

# Strathclyde Pension Fund

## 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 bank
- Reserve - sovereign or government controlled fund
- Other, specify

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

United Kingdom

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

- 1
- 2-5
- 6-10
- >10

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

FTE

90

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.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		13	698	000	000
Currency	GBP				
Assets in USD		21	334	609	598

**OO 04.3** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	67
Fixed income – corporate	0	5
Fixed income – government	0	2
Fixed income – other	0	7
Private debt	0	0
Private equity	0	9
Property	0	8
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0



Cash	0	2
Other (1), specify	0	0
Other (2), specify	0	0

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.

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" 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.

	% 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.

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 type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %

### 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.

- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
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**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.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private equity
- Property
- 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. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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

- Engagements
- (Proxy) voting

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Fixed Income - Other
- Private Equity
- Property

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Strathclyde Pension Fund

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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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.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- 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]

The Fund adopted the Principles for Responsible Investment as the framework to its own responsible investment policy shortly after signing in 2008. The Fund's SIP (para 10) refers <http://www.spfo.org.uk/CHttpHandler.ashx?id=12617&p=0>

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

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.spfo.org.uk/CHttpHandler.ashx?id=12617&p=0>

- No

**OA 02.5** Additional information. [Optional]

As mentioned in the previous section, the Fund has adopted the Principles of Responsible Investment as its RI policy. The above link refers to para 10 of the SIP which refers. The Fund produces a quarterly RI report, which is publically available, and which contains an introductory section on the Fund's policy.

<http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=63844>

**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 type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input 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 04** **Mandatory** **Core Assessed** **General**

**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes
- No

**Objectives and strategies**

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

**OA 05.1** Indicate if your organisation sets objectives for its responsible investment activities.

- Yes

**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

- 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 05.4** Additional information. [Optional]

The Fund uses the 6 PRI principles as the core of its RI policy and compliance with the Principles is the Fund's stated RI objective. The quarterly RI reports speak to pursuit of this compliance. The Fund's annual meeting and annual report feature a section on RI in which the years activity/compliance/ is discussed. The 2013 annual meeting included a session dedicated to our RI work lead by our overlay provider, GES.

<http://www.spfo.org.uk/CHttpHandler.ashx?id=17327&p=0>

<http://www.spfo.org.uk/CHttpHandler.ashx?id=16050&p=0>

<b>OA 06</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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**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	Compliance with PRI
Key performance indicators	Evidence is service provider and Fund meeting compliance with each principle or showing progress of working towards as detailed in quarterly and annual reports
Describe the progress achieved	On going challenge to comply and to raise depth of compliance through increased activity

- Add responsible investment objective 2
- Add responsible investment objective 3

<b>OA 06.2</b>	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	Ensure full manager compliance with voting policy and to increase frequency and depth of engagement with portfolio companies. Increase frequency and depth of collaborative work
Key performance indicators	Evidence is manager, overlay provider and officer meeting compliance with each principle or showing progress of working towards as detailed in quarterly and annual reports

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Extend the RI efforts of the Fund to a wider range of asset classes.
Key performance indicators	Evidence of PRI compliance from service providers in private equity and real estate

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Increase the frequency and depth of collaborative engagement work.
Key performance indicators	Evidence of activity to be reported in the Fund quarterly RI reporting

## Governance and human resources

<b>OA 07</b>	Voluntary	Descriptive	General
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<b>OA 07.1</b>	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
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The Strathclyde Pension Fund (SPF) Committee (trustees) are the ultimate decision makers and stewards of the RI policy and commitment to PRI. The Fund investment manager (Richard Keery) takes the lead role in implementing the Committee decisions and directives on the RI policy. The investment manager can call on the CIO, the Head of Pensions and administrative support in this implementation. The Funds external investment managers play a leading role in the company facing RI efforts and since 2010 they are assisted by Stockholm based Global Engagement Services (GES) who provide a RI overlay service. GES co-ordinate the external managers engagement efforts and provide detailed research to focus the collaborative effort of the managers.

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

<b>OA 08</b>	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.

**Roles present in your organisation**

- 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
  - Head of Pension**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- 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 08.3**

Additional information. [Optional]

No full time dedicated staff. However the SPF investment manager takes the lead role and dedicates ever increasing amounts of time to RI. He is assisted by the dedicated overlay provider, GES

<b>OA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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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

OA  
09.2

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

The Strathclyde Pension Fund Committee receive a full RI report at each quarterly meeting. The SPF investment manager engages with the trustees on the content. The Fund's external investment managers present to the trustees on portfolio performance and activity which includes RI work. The trustees and the Fund's Representative Forum (board of stakeholders) receive training directly prior to each respective quarterly meeting. This training is delivered by the external managers with RI content and has also been delivered as dedicated RI training by the overlay provider, GES. Officers provide annual training session for trustees which includes RI.

- 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

**Other C-level staff or head of department**

**Head of Pensions**

- 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

<b>OA 09.3</b>	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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As a key role for the SPF investment manager the Fund's RI efforts and activities are referenced in the SPF investment manager's PDP and job role.

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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Yes

<b>OA 10.2</b>	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.
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**Select all that apply**

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

<b>OA 10.2</b>	Your organisation's role in the initiative during the reporting period (see definitions)
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- Basic
- Moderate
- Advanced

<b>OA 10.2</b>	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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**Carbon Action**

The Fund has access to most organisations through the service providers memberships

- CDP Forests

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

- Basic
- Moderate
- Advanced

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)
- 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]

Direct involvement in the recent initiative of the ICCR on 'Fire and Building Safety in Bangladesh' and the ShareAction 'Living Wage' campaign.

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

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]

The six principles form the Fund's RI policy

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

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]

Global Compact is the core element of the GES model. GES, on behalf of SPF respond to breaches of international norms as measured by Global Compact. SPF therefore engages on the basis of Global Compact

- Other collaborative organisation/initiative, specify  
ShareAction Living Wage campaign, letters to media and FT100 companies  
Attendance and speaking at RI events including PRI, GTQ, ShareAction and GES Investor Day

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

No

<b>OA 10.3</b>	Additional information. [Optional]
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The Fund prefers to work in a more direct manner and to take part in collaborative work selectively. It does not find that a list of 'memberships' ensure compliance with its PRI obligations

<b>OA 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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<b>OA 11.1</b>	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
----------------	--

Yes

<b>OA 11.2</b>	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

<b>OA 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>OA 12.1</b>	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

<b>OA 12.2</b>	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

<b>OA 12.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available  
 No  
 No

<b>OA 12.4</b>	Additional information.
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The Funds external investment managers and GES have made many submissions to authorities and standard-setters on RI issues. These, if public, are made reference to in the SPF quarterly RI reports.

## ESG issues in asset allocation

<b>OA 13</b>	Voluntary	Descriptive	PRI 1
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<b>OA 13.1</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- Yes  
 No

<b>OA 14</b>	Voluntary	Descriptive	PRI 1
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<b>OA 14.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes  
 No

## Asset class implementation not reported in other modules

<b>OA 16</b>	Voluntary	Descriptive	General
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<b>OA 16.1</b>	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	The Fund's Fixed income - corporate exposure is managed through a passive mandate with Legal and General Investment Management. SPF expects LGIM to dedicate the same time and efforts to fixed income RI as they do equity RI. LGIM are required to report on this through their quarterly reports and trustee/officer meetings.
Fixed income - government	The Fund's Fixed income - government exposure is managed through a passive mandate with Legal and General Investment Management. SPF expects LGIM to dedicate appropriate time and effort to fixed income. LGIM are required to report on this through their quarterly reports and trustee/officer meetings.
Fixed income - other	The Fund has an Absolute Return Bond mandate (PARS2) with PIMCO. SPF expects PIMCO to dedicate adequate time and efforts to RI. PIMCO are required to report on this through their reporting and trustee/officer meetings.
Private equity	The SPF Private Equity portfolios are mostly run on a 'fund of funds' basis and managed between two PRI signatory institutions, Pantheon and Partners Group. Both of these managers have well developed and reported RI capabilities. The managers maintain close relationships with GPs to evaluate their investment activity effectively and to protect client interests. They aim to raise any ESG issues both informally in interactions with the GPs as well as more formally in their role on Advisory Boards. Pantheon and Partners talk to all their GPs to find out whether they have a real responsible investment policy (RI), what the GP's attitude to RI is, and to what extent they need to continue to engage with the GP to help improve their performance in this area. Both managers use templates to monitor underlying funds which include RI information, so that the company ESG rating, generated through the template, reflects both organisation-specific issues and the broader nature of the sector in which it operates.
Property	The Fund's UK direct property manager, DTZ, provides reports on Energy Performance Certificates (EPC) for the portfolio. The DTZ reports identify properties which are potentially higher risk from a future compliance viewpoint. These include some expected properties such as a number of older industrial units together with some less likely examples. Given the range of outcomes the DTZ investment manager addresses possible future improvements to the portfolio in conjunction with the DTZ sustainability team and alongside the individual business plans for each investment. When the manager has identified properties with a high EPC risk assessment he instructs the sustainability team to produce EPC+ surveys for these holdings in order to improve the efficiency of these investments prior to the implementation of regulations planned for 2018. DTZ Investment Management is currently updating its Sustainability, Environmental and Corporate Social Responsibility Policy and the contents of this will be discussed with the Officers of the Fund in due course.

**OA 16.2** Additional information.

The Fund will be focusing on all the above asset classes to drive better and more visible RI policy compliance in 2014

## Innovation

**OA 18**

Voluntary

Descriptive

General



<b>OA 18.1</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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SPF has developed an approach to RI that is very different to the LGPS peer group. SPF has not taken the common approach of joining LAPFF but rather preferred to use its own voice and to take a more active/direct role in collaborative work. The Fund has employed a Global Compact focused Swedish engagement overlay specialist as opposed to fully outsourcing its RI efforts to a typical UK based provider. The Fund has also decided to leave its voting with its external investment managers as the relevant experts. The Fund prefers to engage with those managers on voting outcomes. The Fund centres its RI work on engagement and uses the GES international norms/Global Compact based system to that effect. The Fund is clear in its understanding of fiduciary duty and does not seek to influence the external managers investment process but rather act as an active owner and engage in depth with portfolio companies in regard to the norms. The Fund believes this approach is better aligned with the fiduciary duty and protection of value and ultimately more responsible than a ethical or values based exclusion policy. The Fund works in partnership with its managers and includes ESG scored metrics in its manager RFP's to try and hire only those best suited to provide compliance with the Fund's RI policy. The dedicated RI report to the trustees is a public document that discloses in full the manager, Fund and overlay RI activity on a quarterly basis. The Fund also discloses voting activity and exceptions in this report and on its website. This transparency is not typical of the LGPS peer group. The annual meeting and annual report are both used to report the Fund's RI work on an annual basis.

## Assurance of responses

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

<b>OA 19.2</b>	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

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

The RI activity and reporting is reviewed by the trustees quarterly. The RI activity of the external managers and overlay provider are reviewed by the officers quarterly and at least annually by the trustees. The Fund RI reporting is included in the annual Glasgow City Council internal audit. Audit Scotland will also review the processes required to comply with the reporting requirement.

No

# Strathclyde Pension Fund

## 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 02

Mandatory

Core Assessed

PRI 4

**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

**SAM  
02.2**

Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

We use investment consultants in our selection and appointment of external managers

Asset class

- Listed Equity (LE)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Private equity (PE)
- Property (PR)
- Other asset classes

We use investment consultants in our monitoring of external managers

Asset class

- Listed Equity (LE)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Private equity (PE)
- Property (PR)
- Other asset classes

We use fiduciary managers

**SAM  
02.3**

Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

Responsible investment is included in the selection process for investment consultants

Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them

Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring

We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

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 type="radio"/> 10-50% <input checked="" 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 checked="" type="radio"/> 10-50% <input type="radio"/> >50%

#### Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporate fixed income
Passive	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" 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 checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

Fixed income - government (FIG)

Type of strategy	As % of externally managed government fixed income
Passive	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" 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 checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

SAM 05

Mandatory

Gateway

PRI 1,2

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

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

**Passive investment strategies**

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

**SAM 05.2** Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	<b>LE</b>	
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.

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

**Selection**

<b>SAM 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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**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"/>		

### (Proxy) voting

	LE		
Discuss the managers' voting processes	<input checked="" type="checkbox"/>		
Discuss how information gained through research for (proxy) voting is used in investment-decision making	<input checked="" type="checkbox"/>		
Other (proxy) voting issues in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

## Appointment



<b>SAM 07</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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**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 type="checkbox"/>		
None of the above	<input type="checkbox"/>		

**(Proxy) voting**

	LE
Specific requirements relating to (proxy) voting	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements, specify	<input type="checkbox"/>
None of the above	<input 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 type="checkbox"/>		
None of the above	<input type="checkbox"/>		

## 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 type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

(Proxy) voting

	LE
Review the number or percentage of votes cast	<input checked="" type="checkbox"/>
Request an explanation of reasons for votes cast	<input checked="" type="checkbox"/>
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	<input checked="" type="checkbox"/>
Review the number of resolutions on ESG issues filed or co-filed	<input checked="" type="checkbox"/>
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	<input checked="" type="checkbox"/>
Other ways you monitor (proxy) voting activities, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 09	Mandatory	Core Assessed	PRI 2
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**SAM 09.1** For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

We track or collect this information

Votes cast (to the nearest 5%)

%

99

Specify the basis on which this percentage is calculated

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

<b>SAM 09.2</b>	Additional information. [Optional]
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We collect voting statistics on a quarterly basis and report them in full, by manager, through the quarterly RI report.(pages 3-4)

We see this a necessary to evidence our compliance with Principle 2. "We will be active owners and incorporate ESG issues into our ownership policies and practices."

[http://edrms/Livelink/lisapi.dll/13712129/4d.\\_Responsible\\_Investment\\_Q4\\_2013.docx?func=doc.Fetch&nodeid=13712129](http://edrms/Livelink/lisapi.dll/13712129/4d._Responsible_Investment_Q4_2013.docx?func=doc.Fetch&nodeid=13712129)

The voting outcomes are also displayed on the SPF website.  
<http://www.spfo.org.uk/index.aspx?articleid=9485>

Annual voting stats are disclosed in the annual report (page 22)

<http://www.spfo.org.uk/CHttpHandler.ashx?id=17327&p=0>

## Outputs and outcomes

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

	%
--	---

80

<b>SAM 15</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>SAM 15.1</b>	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.
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Add Example 1

Topic or issue	Manager Selection
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	The Fund's last manager selection exercise was in 2012. The Fund's process was referenced in the PRI's 2012 report, 'Aligning ESG expectations, Guidance for incorporating ESG factors into manager selection, appointment and monitoring.' The Fund incorporates scoring on ESG metrics into the selection process and does so within the 'investment process' section of the RfP.
Outcomes	Experience has shown retrospective compliance from managers on ESG policy and activity is difficult to achieve. The best course of action is to establish ability and commitment to responsible investment at the RfP stage and to credit or penalise managers relative to this during the tender process.

Add Example 2

Topic or issue	IMA - Contracts
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	Hard wiring compliance with the Fund's RI policy through the Investment Management Agreement (service contract)
Outcomes	The Fund now includes contractual clauses that bind managers to the Fund's RI policy and required outcomes. The IMA also requires a manager to engage with the Fund's RI overlay provider

Add Example 3

Topic or issue	RI Overlay Provider
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	The Fund decided to procure the services of a dedicated RI overlay engagement specialist in order to advance its RI work and the ensure better compliance with its collaboraitve obligations under PRI
Outcomes	The Fund appointed Stockholm based Global Engagement Services (GES) as RI overlay provider. GES works with Strathclyde to monitor the IM's engagement activities, and monitor how the information from these activities feed into the managers investment process. This is covered in detail on page 36 of the PRI's 2012 report, 'Aligning ESG expectations, Guidance for incorporating ESG factors into manager selection, appointment and monitoring.'

Add Example 4

Topic or issue	Ongoing investment manager monitoring
Conduct ed by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity
Scope and process	The Fund's officers and the RI overlay provider (GES) monitor the IM's ESG activity on a quarterly basis. The IM's are required to report their RI activity quarterly and this is presented to the Strathclyde Pension Fund Committee in a dedicated RI report. GES carry out an independent annual assessment of each manager and their respective RI work and present a report on their findings with recommendations.
Outcome s	<a href="http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=67838">http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=67838</a>

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.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=66041>

**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]

The Fund treats direct and indirect equally and will disclose the processes at work with pooled and indirect investments. The above URL relates to an update in a quarterly RI report regarding the RI process at one of the Fund's Private Equity Managers. The Fund will report the outcomes and impact of the indirects RI work from time to time. This is an area the Fund will advance in 2014/2015

# Strathclyde Pension Fund

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

Strathclyde Pension Fund is a long-term and responsible investor that prioritises the financial interests of its members and beneficiaries. The investment management of the Fund's assets has been delegated to external professional fund management firms. We work with our investment managers to encourage responsible corporate behaviour based on the belief that management of environmental, governance and social issues is good for long-term company performance and protects and enhances the value of the Fund's investments. Since 2008 we have based our responsible investment policy on the Principles for Responsible Investment. In 2012 the Fund appointed Global Compact focused Swedish engagement overlay specialist Global Engagement Services (GES) as its specialist responsible investment adviser and agent. GES works with Strathclyde to monitor the investment manager's engagement activities, and monitor how the information from these activities feed into the manager's investment process. The Fund is clear in its understanding of fiduciary duty and does not seek to influence the external managers investment process but rather act as an active owner and engage in depth with portfolio companies in regard to international norms. The Fund believes this approach is better aligned with the fiduciary duty and protection of value and ultimately more responsible than a ethical or values based exclusion policy. Officers of the Strathclyde Fund play an active role in co-ordinating the efforts of the IM's and GES and to ensure the Fund's RI policy is implemented and that RI activity is reported to the Funds decision makers and stakeholders. Officers will also represent the Fund, where appropriate, in collaborative engagements and governance initiatives.

[http://intranet.unpri.org/index.php?fuseaction=posts.post&post\\_id=7969&category\\_id=2](http://intranet.unpri.org/index.php?fuseaction=posts.post&post_id=7969&category_id=2)

LEA 02	Mandatory	Gateway	PRI 1,2,3
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
<b>Individual/Internal staff engagements</b>	<input 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
<b>Collaborative engagements</b>	<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
<b>Service provider engagements</b>	<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 service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes
- No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**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

<b>LEA 04.2</b>	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

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

The GES engagement model follows a systematic and structured process. The model is shown in pages 8-11 of this annual meeting presentation <http://www.spfo.org.uk/CHttpHandler.ashx?id=16050&p=0>. The quarterly GES report to the Fund provides full transparency of engagements and progress. The Fund will report this through the quarterly RI reports. The Fund's investment manager's are expected to provide outcomes to engagement which maybe reported via GES but often by the manager individually. They, like GES, provide an RI report to the Fund which is used to discuss cases and detail progress. GES also provide a dedicated engagement progress report on an annual basis. This is a table of target companies with information on the previous years engagement and the state of progress.

No

### Process for engagements conducted via collaborations

<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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- Yes
- No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	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

<b>LEA 06.2</b>	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

<b>LEA 06.3</b>	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
-----------------	---

The fund is careful to lend its voice to collaborative work that is structured and that offers clear objectives. For example the recent ICCR collaborative letters on fire and building safety in Bangladesh. Sec 3.4 and 3.5 of the following reports <http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=63844> <http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=66041> The Fund either directly or through GES will monitor and report outcomes.

- No

<b>Process for engagements conducted with/on your behalf by service providers</b>
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<b>LEA 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,4</b>
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<b>LEA 07.1</b>	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
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- Yes

<b>LEA 07.2</b>	Indicate what role you play in engagements that your service provider conducts on your behalf.
-----------------	--

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

- No

<b>LEA 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 08.1</b>	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
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Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

## General processes for all three groups of engagers

<b>LEA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>LEA 09.1</b>	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
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Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

<b>LEA 09.2</b>	Additional information.
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The investment managers are partners in the GES lead collaborative engagement and have full access to the GES research and engagement outcomes. The managers are kept informed of engagement work carried out directly by GES and are expected to monitor the quarterly Fund RI reports to understand the full picture.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
-----------------	--

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<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
<b>Collaborative engagements</b>	<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
<b>Service provider engagements</b>	<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

<b>LEA 10.2</b>	Additional information. [Optional]
-----------------	------------------------------------

The investment managers provide full and detailed quarterly reports of the engagement work undertaken with the Fund's portfolio companies. The engagements are then reported through the Funds RI reporting. The GES engagement model follows a systematic and structured process. The model is shown in pages 8-11 of this annual meeting presentation <http://www.spfo.org.uk/CHttpHandler.ashx?id=16050&p=0> GES also provide a dedicated engagement progress report on an annual basis. This is a table of target companies with information on the previous years engagement and the state of progress.

## Outputs and outcomes

<b>LEA 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 11.1</b>	Indicate the number of companies with which your organisation engaged during the reporting year.
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	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	1
Collaborative engagements	8
Service provider engagements	1000

**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 type="radio"/> 10-50% <input checked="" 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
Service provider engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate what percentage of your collaborative engagements you were a leading organisation 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 11.4** Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

Type of engagement	% High involvement
Service provider engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

**LEA 11.5** Additional information. [Optional]

The RI overlay provider, GES, had over 1500 company contacts in 2013, Legal& General Investment Management alone will hold 500+ in any quarter and we employ a further 14 service providers. There is a great deal of overlap on topics and companies, in many ways due to our increasing push for collaborative work and the GES stewardship. In the interests of prudence I have given an understated figure of 1000 individual company engagements. The focus tends to be on outcomes as opposed to collecting a tally of openings.

**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 type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input 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
Service provider 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

% Social only

100

**100%**

Collaborative engagements

% Overlapping ESG issues

100

**100%**

Service provider engagements

% Overlapping ESG issues

100

**100%**

<b>LEA 13</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**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.

	<b>Number of company changes or commitments to change</b>
Individual / Internal staff engagements	0
Collaborative engagements	2
Service provider engagements	49

No

<b>LEA 13.3</b>	Additional information.
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Some service provider engagements involve several managers over several years and cover more than one issue or topic. The service provider number above is therefore slightly understated. The majority of our managers (all segregated portfolios) and GES will report outcomes in their quarterly reports.

<b>LEA 14</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 14.1</b>	Provide examples of the engagements that your organisation carried out during the reporting year.
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Add Example 1

Topic or ESG issue	Social / Building and fire safety in Bangladesh garment industry
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	To lobby apparel brands and retailers that manufacture and source their products from Bangladesh to implement systemic reforms that will ensure worker safety and welfare.
Scope and Process	In Q2 2013 the Fund co-signed a letter in co-operation with over 200 institutional investors. In Q3 2013 the Fund wrote directly to the CEO of Urban Outfitters
Outcomes	The Fund co-signed a letter in co-operation with over 200 institutional investors that called on apparel brands and retailers that manufacture and source their products from Bangladesh to implement systemic reforms that will ensure worker safety and welfare, and to adopt zero tolerance policies on global supply chain abuses. This was in response to a series of incidents in Bangladesh apparel manufacturing plants resulting in large loss of life. As a next step to this initiative the signatory funds wrote to individual companies to reinforce the message in the earlier collaborative letter. Officers of the Fund wrote to Mr. Richard Hayne, the CEO of Urban Outfitters to urge Urban Outfitters to sign the Accord on Fire and Building Safety in Bangladesh and to advise that we believe it offers the best path towards reform. The letter pointed out that companies have a "corporate responsibility to respect human rights," as delineated in the United Nations Guiding Principles on Business and Human Rights and that the members of the Accord are working to build a culture of compliance where global brands and retailers can source products in confidence that basic health and safety standards are upheld. The engagement is ongoing.

Add Example 2

Topic or ESG issue	Social / Tesco labour rights
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Tesco compliance with UN Declaration of Human Rights and International Labour Organisation (ILO) Core Conventions, including the right to freedom of association.
Scope and Process	GES engaged on behalf of invested clients through calls, letters and meetings
Outcomes	<p>The UK-based retailer had been accused of not upholding the same high workplace standards in its Fresh&amp; Easy American operations as it does in its home market. Prior to disposal of this business GES had engaged with Tesco on the matter following specific allegations relating to restrictions on the right to organise and freedom of association. In response to GES engagement, Tesco made public its human rights policy, which explicitly describes its commitment to the UN Declaration of Human Rights and International Labour Organisation (ILO) Core Conventions, including the right to freedom of association. GES also had discussions with the relevant US union, the United Food and Commercial Workers International Union (UFCW) to hear its viewpoints. The representatives maintained that Fresh &amp; Easy employees still had reservations but admitted that there are no outstanding unfair labour practice claims relating to Tesco. Given that no new complaints had been filed against Tesco and the company had provided evidence that it rectified the previous violations identified, GES closed this case.</p>

Add Example 3

Topic or ESG issue	Social / G4S operations in the Occupied Palestinian Territories
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Ensure G4S compliance with international law.
Scope and Process	GES engaged on behalf of invested clients through calls, letters and meetings
Outcomes	<p>During Q1 2013 G4S announced its exit from controversial contracts which involved the servicing of security equipment at the barrier checkpoints, prisons and police stations in the occupied Palestinian territories. GES had maintained a positive dialogue with G4S over several years based on the premise that the occupation was illegal under international law and had pressed G4S to properly investigate its activities that were alleged to breach International Law and to improve the risk assessment of its operations in high risk zones. In vindication of this resolute stand GES was the only stakeholder mentioned by name in the G4S press release regarding this exit. The G4S case illustrates that engagement with companies on even the most sensitive ESG issues is a viable strategy.</p>

Add Example 4

Topic or ESG issue	Social / Walmart labour standards
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Walmart compliance with UN Declaration of Human Rights and International Labour Organisation (ILO) Core Conventions
Scope and Process	GES and the Fund's investment managers engaged on behalf of invested clients through calls, letters and meetings
Outcomes	GES engaged with Wal-mart regarding association to violations of labour standards in various countries. Following correspondence with Wal-Mart, including a letter from the GES CEO to Wal-Mart's CEO, GES expressed their dissatisfaction with the state of affairs on a conference call with the company pressing for reassurances about Wal-Mart being committed to a meaningful dialogue and to taking concrete measures to address labour-related shortcomings. As a result Wal-Mart agreed to a schedule of quarterly conference calls with GES and clients on topics of choice and to seek input from GES on Wal-Mart's Global Responsibility Report a few months ahead of its publication. Furthermore, the company agreed to discuss GES' specific requests for concrete measures relating to supply chain and labour relations management. The engagement is ongoing.

Add Example 5

Topic or ESG issue	Social / Living wage
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Promote social sustainability through the living wage
Scope and Process	Letter to Financial Times and FT100 companies
Outcomes	At the close of quarter 3 the Convener of the Strathclyde Pension Fund co-signed a letter to the Financial Times in collaboration with 12 other UK pension funds and foundations to support the 'Living Wage Week' sponsored by the responsible investment charity ShareAction. The letter called on UK publicly listed companies to embed social sustainability in their businesses by paying employees and contracted staff the Living Wage. This is to be followed up with individual letters to the constituents companies of the FTSE100 in Q1 2014.

Add Example 6

Topic or ESG issue	Corporate Governance
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Appropriate remuneration policy and performance criteria
Scope and Process	Meetings with management
Outcomes	<p>One of the Fund's investment managers started engagement with hearing devices manufacturer Cochlear ahead of the 2012 annual general meeting owing to concerns over the executives' remuneration. The manager was concerned that following a product recall during the previous financial year, the subsequent performance and vesting conditions attached to the longterm equity awards were insufficiently challenging and would result in a misalignment between management and shareholders' interests. The executive remuneration report received a significant level of opposition at the AGM which outlined shareholders' frustrations. The company was very receptive to the issues highlighted and subsequent discussions with the Chairman proved to be very positive. Accordingly, the company introduced a simplified remuneration policy, which incorporates appropriate performance and vesting criteria, enhanced oversight from the Remuneration Committee and better understanding from shareholders.</p>

Add Example 7

Topic or ESG issue	Environmental / Mine waste disposal
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Environmentally sustainable mine waste treatment at the Rio Tinto/Freeport McMoRan Grasberg mine in Indonesia
Scope and Process	GES and the Fund's investment managers engaged on behalf of invested clients through calls, letters and meetings
Outcomes	<p>GES had confirmed cases on Freeport McMoRan and Rio Tinto since 2006 and 2008 respectively due to environmental impacts at the Grasberg mine in Indonesian Papua. GES lobbied both companies to improve on both transparency of reporting and policy in the area of mine wastes. On reporting, GES identified early-on that the Grasberg mine's annual environmental report lacked certain critical information and was too focussed on public relations, rather than following established scientific reporting protocols and including clearly presented data that analysts could use to assess on-the-ground impacts for investors. On several occasions GES gave both companies very detailed feedback on the Grasberg monitoring report, which contributed to a breakthrough. In December 2012 Freeport McMoRan forwarded GES a copy of a much improved, completely re-formatted, annual environmental report for Grasberg. Whilst not perfect, GES were none-the-less pleased to see that many of the suggestions previously made by GES had been incorporated into this new document. Regarding policy, GES had regularly tried to highlight to both companies the importance of developing policy which prohibits the future dumping of mine wastes into natural rivers, as this practice is unsustainable and is not supported by mining sector standards. Such a policy precedent was set by BHP following its disastrous experience with riverine tailings disposal at the Oktedi mine in Papua New Guinea during the early 1990s. Rio Tinto has had a public policy against this practice for some time, and GES was told that this will soon be complimented by a publicly available mine waste standard which covers riverine and marine mine waste disposal in greater detail. This does not mean that Rio Tinto are withdrawing from Grasberg , but it does mean that it would be highly unlikely and difficult for Rio Tinto to involve itself in a riverine tailings disposal project in future. This cannot be said for the operator Freeport McMoRan, which maintains that it will not be developing such a policy or standard. The engagement with Freeport McMoRan will continue.</p>

- 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.
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- We disclose it publicly

please provide URL

<http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=67838>

please provide URL

<http://www.spfo.org.uk/CHttpHandler.ashx?id=17327&p=0>

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

Yes

**LEA 15.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- 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.

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

No

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



LEA 15.6	Additional information. [Optional]
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We disclose in depth in the RI quarterly reports and in summary in the annual report. Links to these reports are available on the Fund and the Council's websites. They are all available to the public

## (Proxy) voting and shareholder resolutions

### Overview

LEA 16	Voluntary	Descriptive	PRI 2
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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).
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Historically SPF's Responsible Investment policy has been firmly focused on its investment managers, this includes proxy voting and the filing and/or co-filing of shareholder resolutions. The rationale for this approach has been that: it is consistent with the Fund's policy of outsourcing the day-to-day investment function; investment managers are best placed to engage with the companies which they have researched and invested in; and consideration of ethical, social and environmental issues should be an integral part of the managers' investment processes. The Fund's voting policy requires each investment manager to vote all possible holdings and to produce quarterly voting statistics. The Fund monitors this in detail.

### Process

LEA 17	Mandatory	Descriptive	PRI 2
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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.
- 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.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- Obtain confirmation that votes have been lodged:
  - for a majority of votes
  - for a minority of votes
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.
----------	--

Service providers are required to comply with the Fund's voting policy which requires each investment manager to vote all possible holdings and to produce quarterly voting statistics. The managers are required to show a range of data and to specifically discuss voting exceptions with outcomes and to provide explanation for any votes not completed or proxies not lodged.

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
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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
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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
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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.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

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

Yes, we track this information

<b>LEA 23.2</b>	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 proposals	 91
Against (opposing) management proposals	 8
Abstentions	 1

100%

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

The Fund allows the investment manager to vote as their particular investment process dictates. The Fund's policy is that all votes are be cast where practicable and that the managers will understand the implications of their voting on the RI policy and RI work of the Fund. The Fund monitors this in detail.

No, we do not track this information

<b>LEA 24</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 24.1</b>	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
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Yes

No

<b>LEA 25</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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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	Executive remuneration
Decision made by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Service provider
Objectives	To ensure that executive remuneration at Cochlear is aligned with shareholder interests.
Scope and Process	The investment manager began engaging with Cochlear ahead of the annual general meeting owing to concerns over the executives' remuneration. In particular, we were concerned that following a product recall during the previous financial year, the subsequent performance and vesting conditions attached to the long-term equity awards were insufficiently challenging and would result in a misalignment between management and shareholders' interests. The executive remuneration report received a significant oppose vote at the AGM which outlined shareholders' frustrations.
Outcomes	The company was very receptive to the issues highlighted and subsequent discussions with the Chairman have proven to be very positive. Accordingly, the company has introduced a simplified remuneration policy, which incorporates appropriate performance and vesting criteria, enhanced oversight from the Remuneration Committee and better understanding from shareholders.

Add Example 2

Topic or ESG issue	Executive remuneration
Decision made by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Service provider
Objectives	To ensure that executive remuneration at Massmart is aligned with shareholder interests.
Scope and Process	Massmart is a South African supermarket company and one of the few emerging market companies to engage with the investment manager on long-term executive remuneration.
Outcomes	Engaging on remuneration was a new concept for Massmart but the quality of the engagement allowed us to support the long-term executive remuneration scheme at the May AGM.

Add Example 3

Topic or ESG issue	Executive remuneration
Decision made by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Service provider
Objectives	To ensure that executive remuneration at Hon Hai is aligned with shareholder interests.
Scope and Process	Discussion following opposition to the new restricted stock plan at the 2012 AGM
Outcomes	The company acknowledged that the large vote against was largely due to a lack of disclosure. Executive remuneration is a developing area in emerging markets and we were pleased to learn that Hon Hai has introduced earnings and returns on assets targets relative to a peer group of companies. Although there remains room for improvement, this was a positive step and we will look for a comparable result on labour rights.

- 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.
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- We disclose it publicly

provide URL
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<http://www.glasgow.gov.uk/councillorsandcommittees/submissiondocuments.asp?submissionid=67838>

provide URL
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<http://www.spfo.org.uk/CHttpHandler.ashx?id=17327&p=0>

**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