

2013/14

The Pensions Trust

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	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
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	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
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	✓	Private	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
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	✓	Private	✓	✓					
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	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	🔒	n/a		✓					
LEA 17	Typical approach to (proxy) voting decisions	🔒	n/a		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	🔒	n/a		✓					
LEA 20	Securities lending programme	🔒	n/a		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	🔒	n/a		✓					
LEA 22	Percentage of (proxy) votes cast	🔒	n/a		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	🔒	n/a		✓					
LEA 24	Shareholder resolutions	🔒	n/a		✓					
LEA 25	Examples of (proxy) voting activities	🔒	n/a		✓					
LEA 26	Disclosing voting activities	🔒	n/a		✓				✓	

The Pensions Trust

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

142.7

OO 02.4 Additional information. [Optional]

The Pensions Trust's head office is located in Leeds. There is an Investment Team located in London and a presence in Scotland to service certain clients

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****OO 04.1**

Indicate the year end date for your reporting year.

30/09/2013

OO 04.2

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		4	661	722	367
Currency	GBP				
Assets in USD		7	260	623	942

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 broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income – corporate	0	10-50%
Fixed income – government	0	<10%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	<10%

Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	<10%
Other (1), specify	0	<10%
Other (2), specify	0	<10%

	'Other (1)' specified
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Distressed Debt

	'Other (2)' specified
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Insurance Linked Securities

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

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

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**

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

OO 09 | **Voluntary** | **Descriptive** | **General**

The Trust is committed to being a responsible investor. The Trust believes that ESG factors can have an impact on financial performance and that by incorporating this information into our investment decisions it can help reduce investor risk and enhance long-term portfolio returns. This view is expressed formally as a statement (number 9) in [The Pension Trust's Investment Beliefs](#).

Climate change policy- The Trust has also adopted a climate change policy as part of its objective to manage ESG risk and improve long-term portfolio returns. The Trust's climate change policy is a strategic part of its approach to being a responsible investor and overtime we aim to embed this into all of our investment activities. For more information on the Trust's [climate change policy](#) please see our [climate change statement and roadmap](#).

Codes and industry initiatives -The Trust supports industry wide initiatives to promote Responsible Investment and Stewardship and it is a signatory to both the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. We also aim to engage on relevant policy issues alongside other like-minded, responsible investors. To support the Trust's work in this regard we are members of the Institutional Investors Group on Climate Change (IIGCC), the UK Sustainable Investment and Finance (UKSIF) and the NAPFs Corporate Governance Working Group.

Fund Manager Selection and Monitoring -The Trust's Responsible Investment policy applies to all of its investments although we tailor our expectations according to the different asset classes and the investment style of the manager (e.g active or passive strategies). We regularly discuss the approach of our incumbent managers to stewardship, climate change and ESG risk at our manager update meetings but going forwards we will more formally assess existing managers through our ESG manager rating system. This system will allow us to rate and benchmark managers in a more consistent way.

We also plan to mandate our expectations on ESG and climate change more explicitly in the manager selection process. We will incorporate specific requirements for ESG capabilities and reporting into the Request for Proposal (RFP), our operational due diligence and into the Investment Management Agreements (IMA) we put in place.

Stewardship and Active Ownership -The Trust believes that it should act as a responsible custodian of the assets and markets in which it invests. An important part of this is making sure that we use the rights we have as shareholders in companies to influence corporate strategy through voting and engagement. The Trust delegate primary responsibility for this to its fund managers, but to ensure that its views are taken into account in voting decisions, the Trust requires its investment managers to adhere to its [Voting and Engagement policy](#).

To monitor the decisions taken on behalf of the Trust, we require investment managers to report on their proxy voting and engagement activities on a quarterly basis. This information is regularly presented to the Investment Committee. The Trust plans to make these records publically available on its website from 2014.

During 2013, the Trust also developed its own engagement programme using a specialist engagement services provider. This provider engages on behalf of the Trust on environmental, social and governance (ESG) topics which are considered to present a material risk to the long-term value of companies held in the underlying portfolios. The themes which the Trust has prioritized for engagement are

- Executive Pay
- Environment and climate change
- Health and Safety
- Human Rights
- Labour standards in Supply Chains

Communicating and reporting -The Trust will provide regular reporting on its voting and engagement activities via its website and a will include a summary in the annual report

from 2014. The Trust will also provide regular updates on its Responsible Investment activities via its member reporting and communication.

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
- ☒ Property
- ☒ Infrastructure
- ☒ Hedge funds
- ☒ Cash
- ☐ Other (1)
- ☐ Other (2)
- ☐ None of the above

'Other (1)' [as defined in OO 05]

Distressed Debt

'Other (2)' [as defined in OO 05]

Insurance Linked Securities

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
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- ☒ Engagements

RI implementation via external managers

	Indirect - Selection, Appointment and Monitoring of External Managers
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- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☐ Fixed Income - Government
- ☐ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash

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.

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Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
OA 01.1	Indicate if you have a responsible investment policy.		
<input checked="" type="radio"/> Yes <input type="radio"/> No			
OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.		
<input checked="" type="radio"/> Yes <input type="radio"/> 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 Trust seeks to integrate ESG considerations into investment management decisions and ownership practices. We do this in a number of ways:

- Support of a number of industry-wide initiatives and membership of various collaborative groups, including the Institutional Investors Group on Climate Change and UK Sustainable Investment and Finance
- Incorporation of policy into fund manager selection and monitoring, including the development of an ESG manager rating system and, in future, the inclusion of ESG capabilities into RFPs and in IMAs.
- The Trust seeks to influence corporate strategy through its Voting and Engagement Policy. It requires all its investment managers to adhere to this policy and monitors its managers in this regard.
- In addition the Trust has developed its own engagement programme in conjunction with a specialist provider, enabling it to engage on issues prioritised by the Trust.
- The Trust is committed to providing regular communications on its RI activities to clients and scheme members.

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
<input checked="" type="radio"/> Yes			
OA 02.2	Provide a URL to your responsible investment policy.		

	URL
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<http://www.thepensiontrust.org.uk/NR/rdonlyres/0BAC22AE-EEF0-4D77-80BD-614E2382F33A/0/ResponsibleInvestmentPolicyJan2014260214.pdf>

☐ No

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

☒ Yes, all

☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Climate Change policy	http://www.thepensiontrust.org.uk/TPT/website/Investment/Climate+Change.htm
Voting and engagement policy	http://www.thepensiontrust.org.uk/NR/rdonlyres/8F8FDF29-EA19-4EF1-9B68-FC1A97EC4817/0/VotingEngagementPolicyFinal2014.pdf
Investment Beliefs	http://www.thepensiontrust.org.uk/NR/rdonlyres/AFBA804C-16DE-4496-9929-81264FC2C0E6/0/InvestmentBeliefsPosterA20511FINALVERSION.pdf

☐ No

OA 02.5	Additional information. [Optional]
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In accordance with UK pensions regulations the Trust is required to have a 'Trustee Statement of Investment Principles'. This document includes a section on the Trust's approach to Voting and Engagement.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input 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 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

The RI policy applies to all our investments, although we tailor our expectations according to the different asset classes and the investment style of the manager.

OA 03.3

Additional information. [Optional]

While the Trust does not include a screening/exclusion policy in its RI documents, it does provide ethical funds which use screening for members who wish to take this approach.

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

OA 04.3

Additional information. [Optional]

As the Trust uses external managers, it is not considered necessary to have a conflicts of interest policy in its investment process. However, members of the Investment Committee of trustees are required to declare any personal conflicts of interest before making an investment decision.

Objectives and strategies

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

☒ 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 06	Voluntary	Descriptive	General
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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	To publish policies which give the Trust the right tool kit to implement Investment Belief that Responsible Investment can enhance long term portfolio returns.
Key performance indicators	Responsible Investment policy, climate change policy and updated Voting and Engagement policy and SIP published and signed off by the Trustees/Board of Directors
Describe the progress achieved	Policies available on website and now being integrated into day to day activities of investment team, including selection and monitoring of managers.

☒ Add responsible investment objective 2

Objective 2	To recruit and appoint a specialist Investment Officer to lead Responsible Investment strategy.
Key performance indicators	
Describe the progress achieved	Individual was recruited and started employment March 2013.

☒ Add responsible investment objective 3

Objective 3	To develop ESG criteria that can be used in the fund of hedge fund portfolio construction process. Focus on governance and carbon disclosure.
Key performance indicators	Will criteria refine selection of underlying managers in terms of governance and transparency
Describe the progress achieved	Worked with Fund of Hedge Fund manager to embed the Trust's governance criteria and carbon risk disclosure requirements into Investment Management Agreement.

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

Objective 1 for the next reporting year	To use Responsible Investment Manager Rating System to appoint managers that better reflects the Trust's views on Responsible Investment/ESG
Key performance indicators	Preferred manager to fully integrate ESG into investment research process and portfolio construction. Should also have excellent approach to stewardship.

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	To develop thinking on Responsible Investment for DC platform.
Key performance indicators	<div>key performance indicator 2</div> <div>To provide range of investment options in DC which embed the Trust's beliefs on Responsible Investment.</div>

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	To improve communication with members and beneficiaries on Responsible and ethical investment.
Key performance indicators	Publish information on Responsible Investment on website, in Annual Report, in Scheme specific reporting and through webinars.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1 Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

The Pensions Trust is a multi-employer pension scheme governed by a corporate trustee. The board members of this company are referred to as the trustees. An Investment Committee comprising certain members of the board plus two co-opted external appointees is delegated to oversee all investment matters. The Investment Committee receives advice from the Trust's investment consultant (a regulatory requirement) and is supported by the Trust's investment team.

The Investment Committee meets quarterly and can take decisions between meetings by electronic vote. Several sub-committees of the Investment Committee have been established to cover various areas including manager monitoring and consideration of new investment ideas - recommendations are made to the Investment Committee.

The investment team provides papers for the Investment Committee, carries out due diligence on new investment managers, monitors the performance of managers and reviews the implementation of investment principles and strategies across the scheme and at the client level.

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

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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
- ☐ Portfolio managers
- ☐ Investment analysts
- ☒ Dedicated responsible investment staff
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

1.5

OA 08.3

Additional information. [Optional]

The Board of trustees approves the RI policy and related documents, on the recommendation of the Investment Committee. The Investment Committee monitors the implementation of the policy, including voting and engagement by managers.

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

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

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]

Joined in October 2013 - still considering involvement

- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ 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]
--

- Member of Fixed Income Steering Group.
- Spoke on panel at UNPRI Staff Training Day at session on pension funds.

☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

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

- ☒ Basic
☐ Moderate
☐ Advanced

- ☐ Shareholder Association for Research and Education (Share)
☐ United Nations Environmental Program Finance Initiative (UNEP FI)
☐ United Nations Global Compact
☐ Other collaborative organisation/initiative, specify
☒ Other collaborative organisation/initiative, specify

NAPF's Shareholders Committee

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

- ☐ Basic
☒ Moderate
☐ Advanced

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

Joined NAPF Shareholders Committee in 2H of 2013.

- ☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify

☐ No

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

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

☐ No

OA 11.3	Additional information. [Optional]
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The Chair of Trustees, The CIO and Responsible Investment Officer have spoken at the following events:

- Responsible Investor Conference Europe - ESG Summit (June 2013)
- ShareAction Report and Project Launch of Green Light Campaign with Steve Webb (October 2013)
- Responsible Investor Conference - ESG in the Asset Manager Selection Process (October 2013)
- GTQ International Conference - Investing in Responsibility: Enhanced ESG Analysis, Intermediation and Engagement (November 2013)

The Pensions Trust

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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When appointing a new investment manager the Trust includes a number of questions relating to a manager's approach to responsible investment in the initial tender exercise. This attempts to understand their broad approach to responsible investment, as well as determining what bodies or initiatives that they are signed up to or actively support. This information is then used as part of the initial screening process.

During the appointment phase i.e. the due diligence process, we take this further by reviewing how a manager incorporates responsible investment in their investment process (as appropriate), as well as reviewing what internal resource is dedicated to ESG issues. We also try to gauge how active a manager is in relation to responsible investment and try to determine how important it is in the management of the portfolio.

In order to monitor a manager's ongoing commitment to this area we include specific responsible investment questions as part of our ongoing review process, as well as engaging the manager on issues such as their voting record on a more ad hoc basis.

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1	Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.
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☒ 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)
- ☒ Infrastructure (INF)
- ☒ 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)
- ☒ Infrastructure (INF)
- ☒ 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"/>
Fixed income - corporate	<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 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:
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	Active investment strategies
--	------------------------------

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

	Passive investment strategies
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Passive investment strategies	LE		
Screening	<input checked="" type="checkbox"/>		
Thematic	<input type="checkbox"/>		

Integration	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

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

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

SAM 05.3	Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.
-----------------	---

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input 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

SAM 06	Mandatory	Core Assessed	PRI 1-6
SAM 06.1	Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:		
	General		

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

ESG incorporation

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

Engagements

	LE	FIC	
Discuss the managers' engagement processes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Discuss the role managers have played in influencing companies' ESG practices and performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss how information gained through engagement is incorporated into investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other engagement issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<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

SAM 07	Voluntary	Additional Assessed	PRI 4
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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	FIC	
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other general RI considerations in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

ESG incorporation

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

Engagement

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

**SAM
07.2**

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets.

The Trust has not appointed new equity or fixed income managers during the reporting year.

It is our intention that the Trust's expectations on Responsible Investment/ESG and stewardship are set out clearly in future IMAs.

The Trust also developed a Responsible Investment Rating System (RI Rating System) in January 2013 to help benchmark existing managers and assess the merits of prospective managers from this perspective.

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

ESG incorporation

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

Engagements

	LE	FIC
Review the ESG information relevant to the engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the number of engagements and their comprehensiveness	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss the type of role played (i.e. leading or supporting)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<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 checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

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

We ask that our fund managers submit information on their overall voting process. This includes information on their vote auditing processes, the voting systems/platforms, whether they identify any trends from their voting and how they react to it. We regularly re-evaluate our questioning of fund managers to avoid repetition and ensure that questions are relevant to that particular fund manager.

**SAM
08.2**

Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

Please see above response.

SAM 09

Mandatory

Core Assessed

PRI 2

**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%)

%

100

	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

SAM 09.2	Additional information. [Optional]
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We request that our fund managers submit information on how many meetings managers voted at, and whether they voted at all the meetings they were able to and if not to provide the reasoning why.

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
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- ☒ Yes, we disclose information publicly

	provide URL
--	-------------

<http://www.thepensiontrust.org.uk/NR/exeres/9D252BEF-6FCE-4AF2-A0CD-BBA47BEA9B10.htm>

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

The Pensions Trust

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.		

The Trust delegates primary responsibility for its corporate engagement activities to its investment managers. The Trust believes that investment managers are normally best placed to engage with invested companies on ESG matters, given their knowledge of the company and the level of access they have to company management. It is also more pragmatic because of the number of stocks owned by the Trust, and the amount of time corporate entities have available to single investors. The Trust asks its investment managers to report back on their engagement activities on a periodic basis. The Trust expects its managers to engage on environmental, social and/or governance matters where they are considered material and relevant to the investment case. It also expects its managers to have regard of its climate change policy in this respect.

In addition to the corporate engagement carried out by its managers The Trust has developed an internal engagement programme. The Trust is working with a specialist engagement provider, targeting engagement with some of the largest holdings in The Trust's global portfolios. The Pensions Trust engagement activities will include written, oral and electronic communication and personal meetings with a company's senior policy makers.

The Trust recognises that as a responsible asset owner, it should, wherever practicable given time and resources, support initiatives which aim to improve the regulatory environment for all investors. As part of this The Trust will participate in collaborative engagements with other asset owners which it sees as furthering the aims and objectives of its investment beliefs and this voting and engagement policy.

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
Individual/Internal staff engagements	<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
Collaborative engagements	<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 collaborative engagements
Service provider engagements	<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 service providers

LEA 02.2	Additional information. [Optional]
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Individual engagements are primarily delegated to our investment managers.

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff. <input type="radio"/> Yes <input checked="" type="radio"/> No		
LEA 04	Mandatory	Core Assessed	PRI 2

LEA
04.1

Indicate if you define specific objectives for your engagement activities.

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

LEA
04.2

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

- ☐ Yes
- ☒ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA
05.1

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

- ☒ Yes

LEA
05.2

Describe how you identify and prioritise collaborative engagements.

The Trust has identified 5 themes which it prioritizes for engagement. The themes have been developed using input from an employer survey that the Trust undertook on Responsible Investment in 2010 which identified key areas of concern to our members and beneficiaries.

The five themes we have prioritized are

Executive Pay
Climate Change
Health and Safety
Human Rights
Labour standards in Supply Chains

- ☐ No

LEA 06

Mandatory

Core Assessed

PRI 2

**LEA
06.1**

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

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

**LEA
06.2**

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

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

**LEA
06.3**

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

For collaborative engagements conducted through the UNPRI Clearing House we monitor the actions of companies through updates from the UNPRI.

☐ No

**LEA
06.4**

Additional information. [Optional]

The Trust's collaborative engagement activities were not captured in the reporting period but will be reflected in the UNPRI Survey 2014.

Process for engagements conducted with/on your behalf by service providers

LEA 07

Mandatory

Core Assessed

PRI 2,4

**LEA
07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

☒ Yes

**LEA
07.2**

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

LEA 08

Mandatory

Core Assessed

PRI 2,6

**LEA
08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

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

LEA 10

Mandatory

Gateway/Core Assessed

PRI 2

**LEA
10.1**

Indicate if you track the number of companies you engage with.

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

LEA 10.2	Additional information. [Optional]
-----------------	------------------------------------

The activities of the Trust's engagement services provider will be reflected in the UNPRI Survey 2014

Outputs and outcomes							
LEA 11	Mandatory to Report	Voluntary to Disclose	PRI 2				
LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.						
	<table border="1"> <thead> <tr> <th></th><th>Number of companies engaged (avoid double counting, see explanatory notes)</th></tr> </thead> <tbody> <tr> <td>Service provider engagements</td><td>9</td></tr> </tbody> </table>				Number of companies engaged (avoid double counting, see explanatory notes)	Service provider engagements	9
	Number of companies engaged (avoid double counting, see explanatory notes)						
Service provider engagements	9						
LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]						

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

**LEA
11.5**

Additional information. [Optional]

Our service provider began its first interactions with 9 companies in August and September 2013 by sending them letters requesting further dialogue on various issues. This formed the start of some longer term engagements with the companies which will play out over the coming months and years. Further progress will be reported on in future PRI surveys.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

**LEA
15.1**

Indicate whether your organisation proactively discloses information on its engagements.

- ☐ We disclose it publicly
☐ 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]

We have committed to be more transparent with our engagement activities and will look to start publicly disclosing information on engagements in 2014.