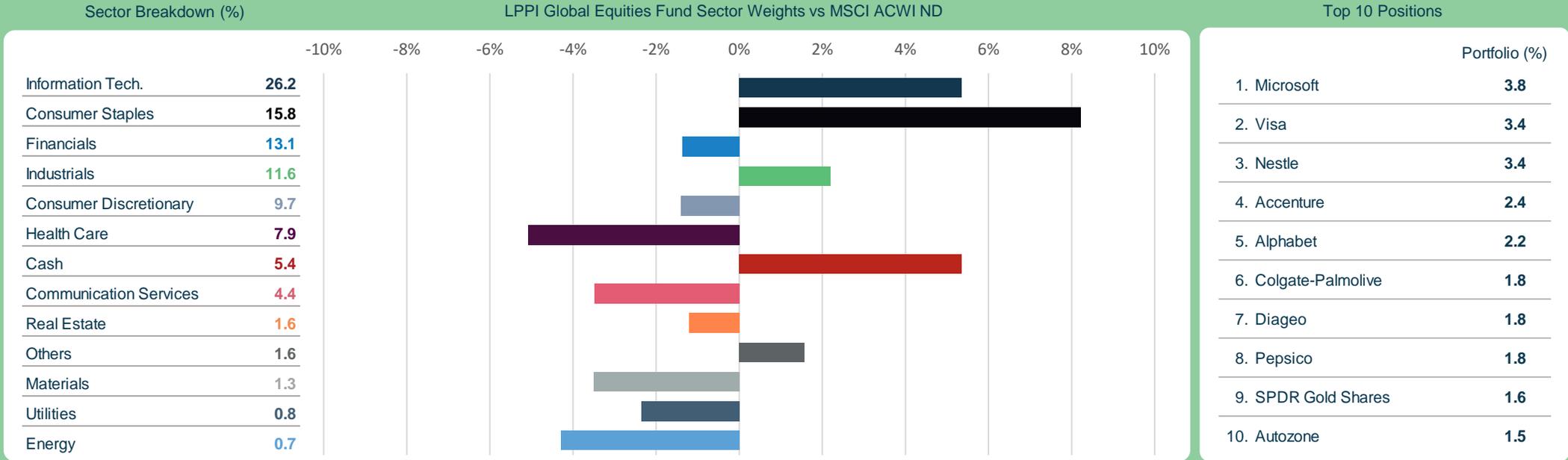


# Responsible Investment Dashboard Q2 2022

## 1. Portfolio Insights

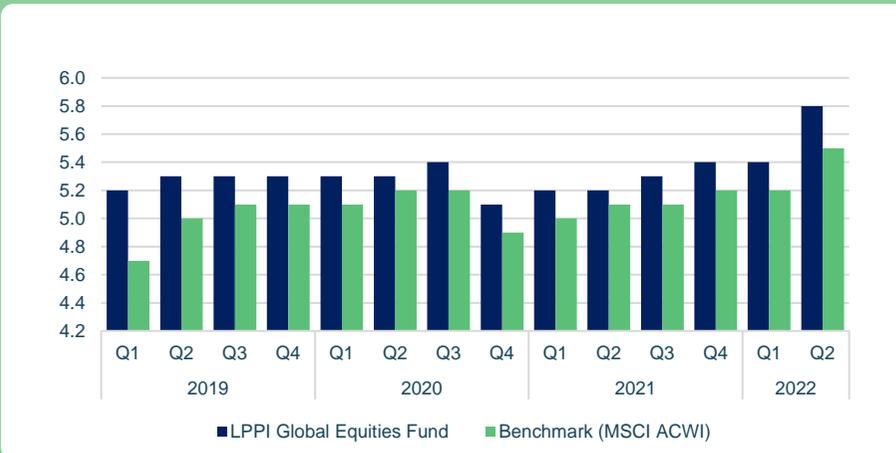
### Listed Equities (LPPI Global Equities Fund)



### Governance Insights (ISS DataDesk)



### Portfolio ESG Score (MSCI ESG Metrics)



### Transition Pathway Initiative – Management Quality Headlines



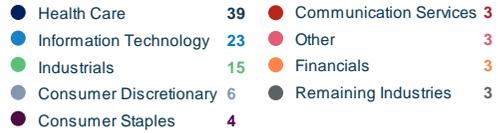
# Responsible Investment Dashboard Q2 2022

## 1. Portfolio Insights

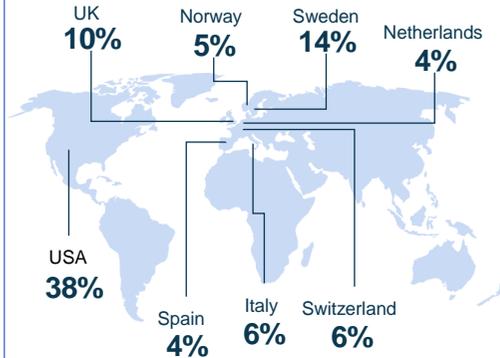
### Other asset classes

#### Private Equity

##### Industry Breakdown (%)



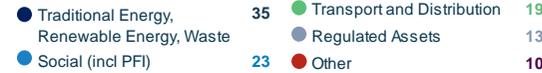
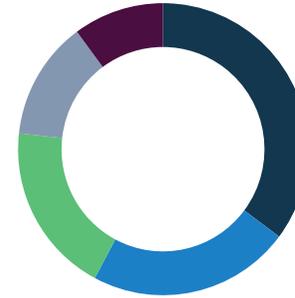
##### Region Breakdown (%)



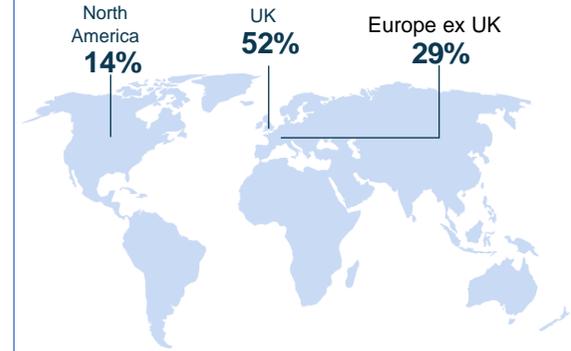
RoW  
12%

#### Infrastructure (LPPI Global Infrastructure Fund)

##### Industry Breakdown (%)



##### Region Breakdown (%)

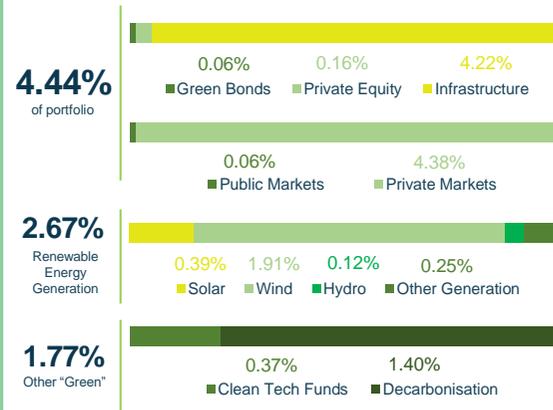


RoW  
5%

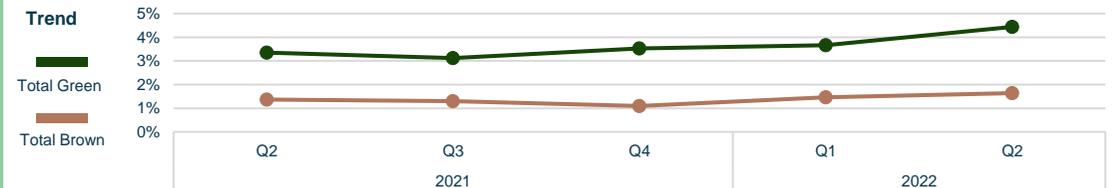
#### Green & Brown Exposure

##### Green

Investments in businesses directly contributing to the global transition to a lower carbon economy, expressed as a % of the total value of the pension Fund.

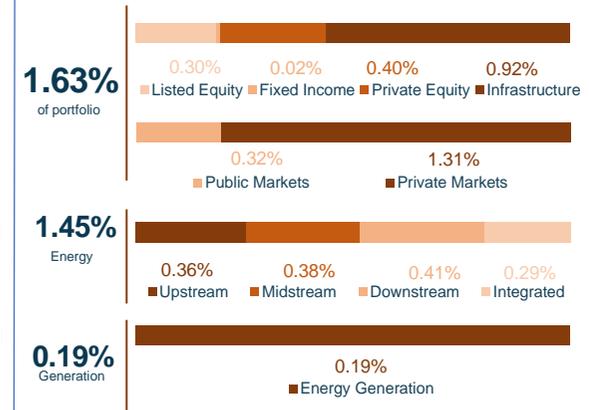


##### Trend



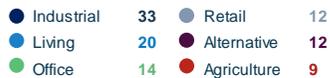
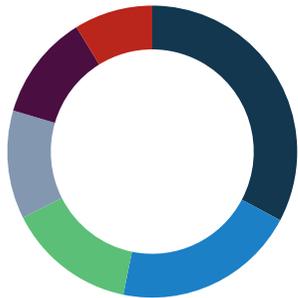
##### Brown

Investments in traditional energy (based on fossil fuels) expressed as a % of the total value of the Pension Fund.

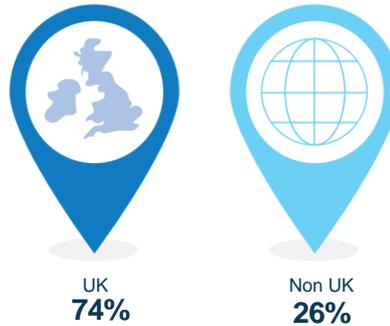


#### Real Estate (LPPI Real Estate Fund)

##### Sector Breakdown (%)



##### Geographical Exposure (NAV %)



The above Green and Brown metrics apply to parts of the portfolio which have exposure to a specific set of activities as per our definition of Green and Brown, and which are quantifiable at the time of publication (please see appendix). LPPI's Responsible Investment team continually endeavour to provide clients with the greatest picture of exposure possible.

## 2. Stewardship Headlines

### Shareholder Voting

#### Shareholder Voting Statistics (LPPI Global Equity Fund)

##### Headlines



**233**

Meetings Voted



**3207**

Proposals Voted



Supported  
**89%**  
**3044**

Company Proposals



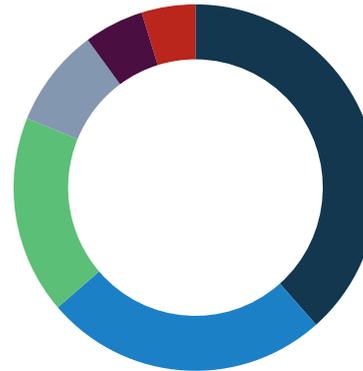
Supported  
**71%**  
**163**

Shareholders Proposals



**55%**

Meetings with a vote against Management



Votes Against Management (By theme)

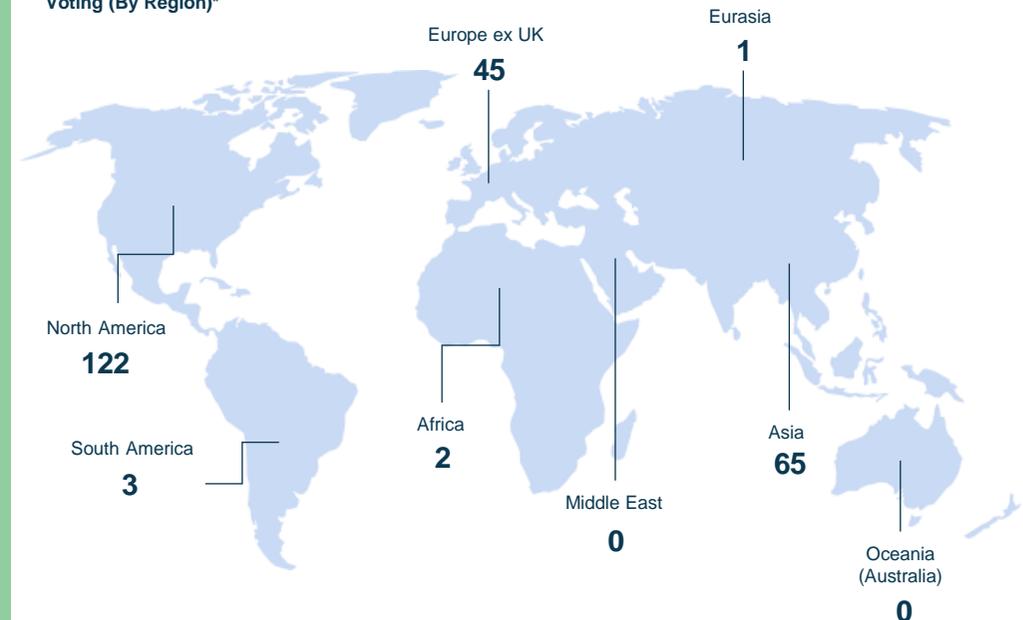
|   |     |
|---|-----|
| ● Election of Directors (and related )      | 145 |
| ● Shareholder Resolutions                   | 95  |
| ● Non-salary compensation                   | 66  |
| ● Capitalisation                            | 33  |
| ● Mergers, acquisitions and reorganisations | 20  |
| ● Routine business                          | 18  |
| ● Anti-takeover (and related proposals)     | 0   |

##### Voting (By Theme)

Against For



##### Voting (By Region)\*



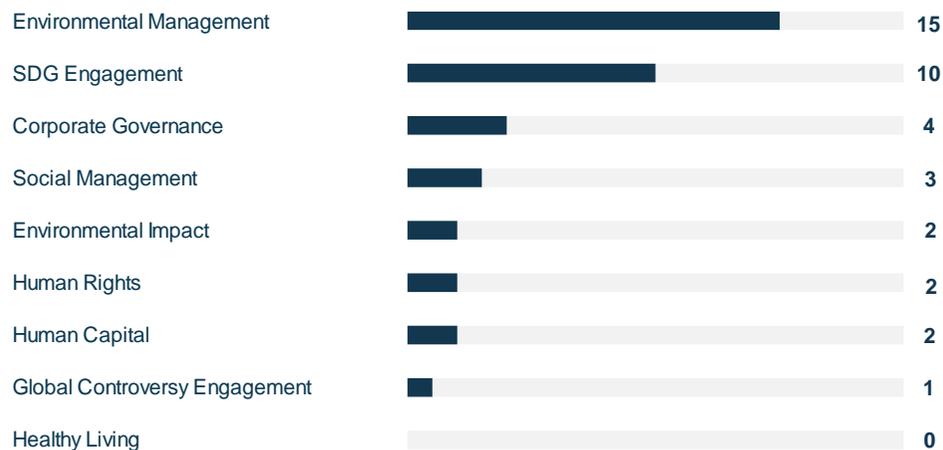
\*Total votable meetings

# Responsible Investment Dashboard Q2 2022

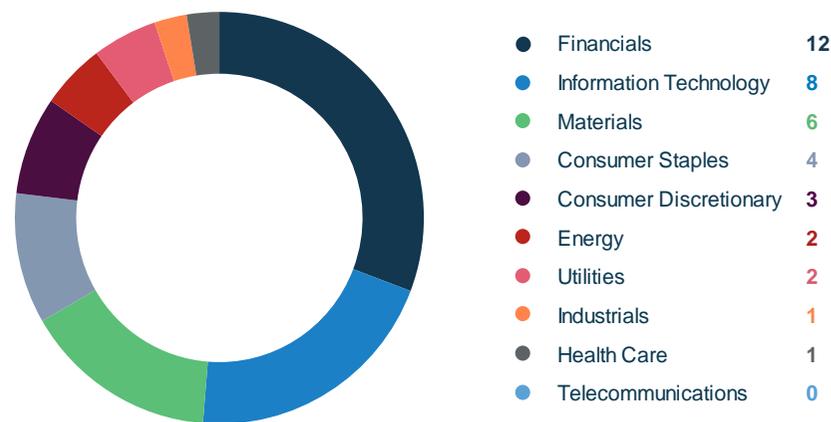
## 2. Stewardship Headlines

### Engagement (Public Markets): Robeco

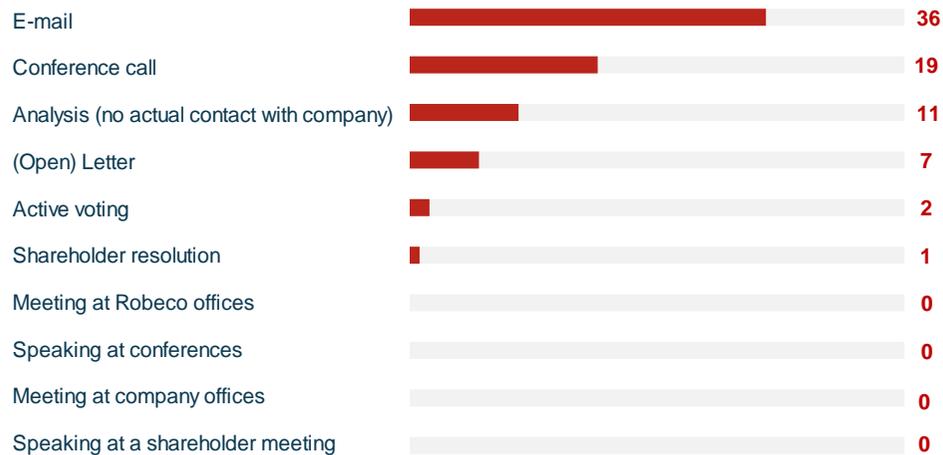
#### Activity (By Topic)



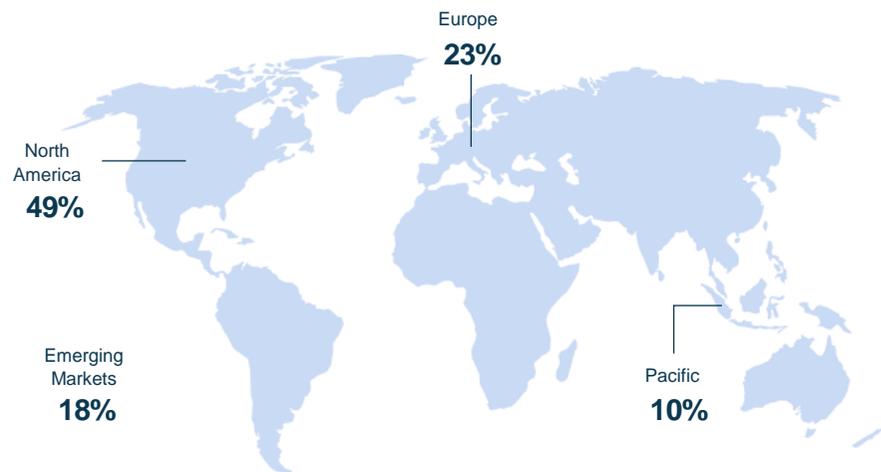
#### Activity (By Sector)



#### Activity (By Method)



#### Activity (By Region) (%)



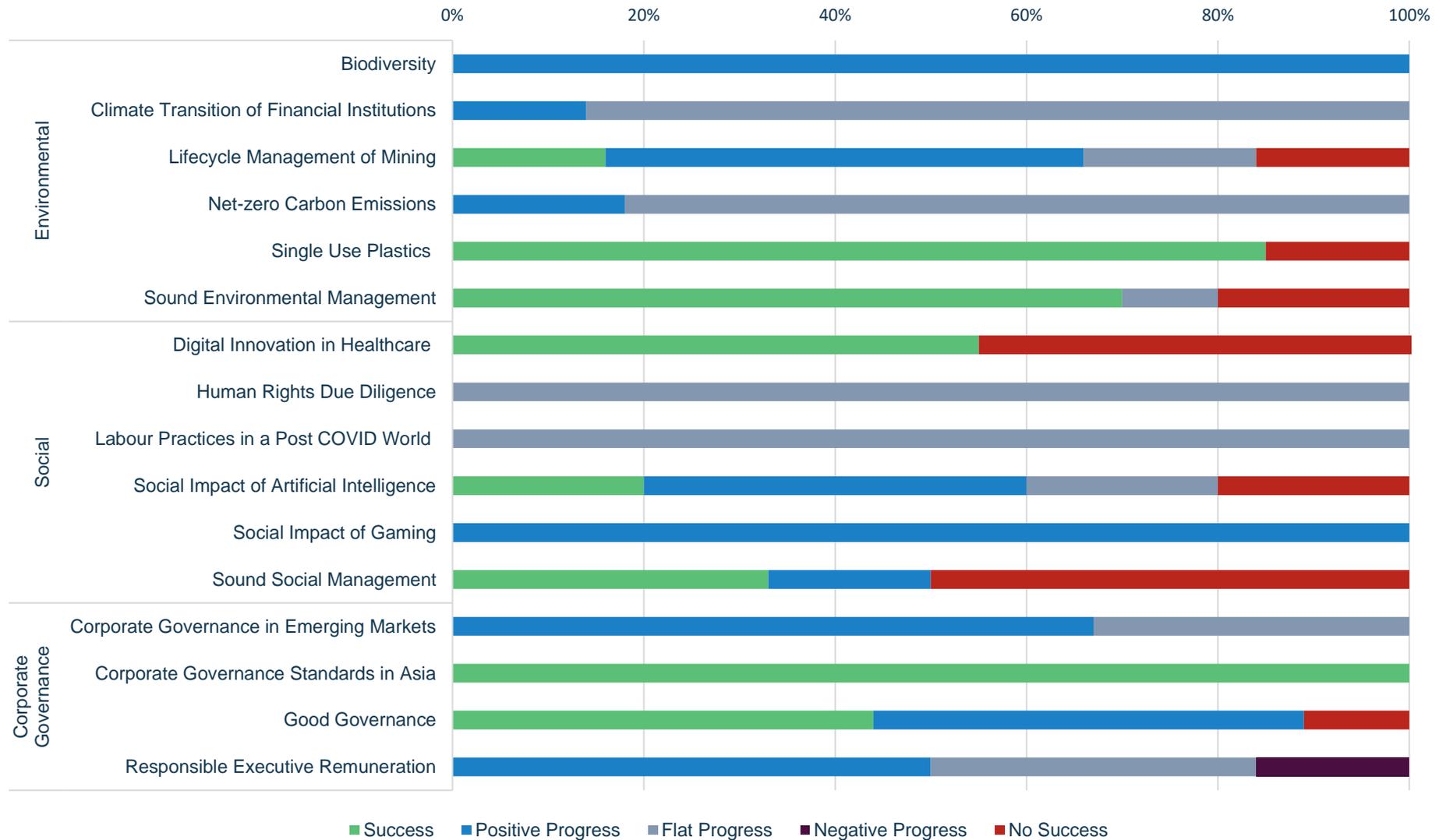
Source: Robeco Active Ownership Report Q2 2022

# Responsible Investment Dashboard Q2 2022

## 2. Stewardship Headlines

Engagement (Public Markets): Robeco

Engagement Results (by Theme)



Source: Robeco Active Ownership Report Q2 2022



### Direct investments

Direct Real Estate holdings in the UK (examples)

**GWR Building**  
Bristol



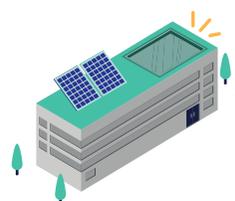
designed with sustainability in mind

- **110,000 sq. ft. mixed-use redevelopment** that will have a ground floor eatery with offices on the floors above
- The development has been designed with **sustainability in mind**, replacing old stock with in-demand energy efficient space that will also **support local growth through new employment opportunities**.
- The development is targeting BREEAM 'Outstanding', the highest possible BREEAM rating
- The asset will be powered by **100% renewable energy**
- The development will benefit from 'green ribbons' of planting along the terraces to support and increase local biodiversity



new planting along the terraces

**Hilton Cross**  
Wolverhampton



natural light through skylights



electric vehicle charging

- Project Wolfpack is the acquisition and development of a site in Hilton Cross, Wolverhampton to create **3 logistics units**
- The units will achieve BREEAM 'Excellent' as well as an EPC 'A'
- The units will be fitted with **high efficiency air source heat pumps and LED lighting**
- The warehouse will benefit from **10% of the roof producing natural light through skylights** as well as **photovoltaic panels** placed on the roofs
- As part of the development of the site there are a number of contributions to both on-site and **local biodiversity projects including financial contribution and wildlife walkways**.
- The units will be fitted with provision for **electric vehicle charging**, both for employees as well as in the loading bays

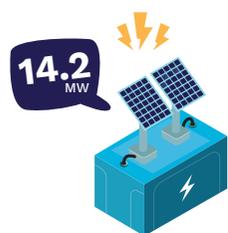


### Examples of investments in Real Estate Funds

**Charter Hall**  
Prime Industrial Fund



**GPT**  
Wholesale Office Fund



14.2MW of photovoltaic systems installed



partner charities  
Morsl and Kickstart

- **Charter Hall Prime Industrial Fund (CPIF)** provides exposure to Industrial and Logistics assets within Australia
- Charter Hall scored **80** in their most recent **GRESB assessment** placing them in the **2nd quintile in the GRESB universe**
- The CPIF portfolio is powered by **100% renewable energy**, with all assets having climate change and adaptation plans
- The CPIF portfolio also generates **14.2MW of photovoltaic systems** installed and the fund actively partners with tenants to drive low carbon outcomes
- **100% coverage of scope 1 and scope 2** and **88% of Scope 3 emissions**
- CPIF partners with a number of charities: **Morsl**, which focuses on providing tenants with **healthy food options and supports wellbeing**, **Kickstart**, which runs training programs and supports **creating employment for vulnerable youth** and “Property Industry Foundation”, which creates **emergency housing** and focuses on **stopping youth homelessness**



GRESB 5\* green rating



reduction in water use since 2005

- **GPT Wholesale Office Fund (GWOF)** provides exposure to office assets across a number of Australia’s Central Business Districts
- GWOF have achieved a **GRESB 5\*** green rating, having achieved **93/100 on the development benchmark and 94/100 on the standing assets benchmark**.
- The fund achieved verified **carbon neutral status for 100% of its operating assets** in 2020 (nb. the fund now has some development assets which will remain unrated until they are operational)
- **81% reduction in water use since 2005**
- Using the National Australian Built Environment Rating System (NABERS) the portfolio has an **average score of 6** (maximum available) across all rated buildings
- GPT have established “The GPT Foundation” to engage with their **7 chosen community partners** through skilled and grass roots staff volunteering, the provision of other support using resources available to GPT, and GPT’s work place giving program, Give for Change.

### Portfolio Insights (Pages 1 - 2)

#### Sector Breakdown (%)

- Identifies the Global Equity Fund's ("GEF") sector breakdown and their proportions.

#### GEF Sector Weights

- Comparison of sector weights against their benchmark.
- The larger the bar the bigger the difference between GEF and benchmark weightings.
- Where a positive number is shown, this indicates the GEF is overweight to a sector.
- Where a negative number is shown, this indicates the GEF is underweight to a sector.

#### Top 10 Positions

- The top 10 GEF companies as a % of the asset class portfolio.

#### Governance Insights

- **Women on the board:** A measure of gender diversity based on the average proportion of female board members for companies in the GEF.
- **Board independence:** The average proportion of board members identified by ISS as independent. Please note independence expectations vary across markets with LPPI generally favouring greater independence.
- **Say-on-pay:** The average investor support for the most recent say-on-pay vote at a company meeting. Please note not all markets require say-on-pay votes. A vote of greater than 20% against (support < 80%) is generally considered significant.

#### Portfolio ESG Score

- This is a relative indicator and not a measure of portfolio ESG risk exposure.
- Individual companies are assigned an ESG score (between 0-10). The final numbers shown in the bar chart are the weighted averages of these scores for the stocks held in the GEF vs its benchmark through time.
- This table is a comparison with the benchmark and reviews changes over time.
- LPPI utilise an established methodology (developed by MSCI) for determining the ESG score of stocks within the GEF. Further details can be found here: <https://www.msci.com/documents/1296102/21901542/MSCI+ESG+Ratings+Methodology+-+Exec+Summary+Nov+2020.pdf>
- The higher the score shown, the better the ESG credentials of the GEF / benchmark.

### Portfolio Insights (Pages 1 - 2)

#### Transition Pathway Initiative (TPI) Headlines

- TPI assess how well the largest global companies in high carbon emitting sectors are adapting their business models for a low carbon economy.
- The % of GEF covered by TPI shows the portfolio exposure to high emitting companies.
- The number/proportion of companies with top scores (TPI 3 and 4) is a measure of the quality of transition management by the high emitting companies held within the GEF.
- Detailed TPI methodology can be found through the following link: <https://www.transitionpathwayinitiative.org/methodology>

#### Private Market Asset Classes

- These metrics indicate the industry sector and regional breakdown as a % of the asset class for Private Equity, Infrastructure and Real Estate investments.

#### Green & Brown

- These metrics indicate the Pension Fund's total portfolio exposure (%) to green and brown assets. Current coverage extends to: Listed Equity, Fixed Income, Green Bonds, Private Equity, and Infrastructure.
- These are further broken down into their sectors/activities related to green and brown.
- Please be aware that due to rounding within the different breakdowns the totals may not sum correctly.

#### Green

These are investments in renewable energy and sectors/activities assisting in renewable energy generation, low carbon tech and wider decarbonising activities.

#### Brown

Investments in energy and power generation based on fossil fuel activities, including: extracting (upstream), transporting (midstream), refining (midstream), supplying (downstream), or some energy companies that legitimately span all aspects (integrated). Fossil fuels used to generate energy is part of electricity generation.

### Stewardship Headlines (Pages 3 - 5)

#### Shareholding Voting

- Key shareholder voting metrics for LPPI's GEF.
- The Headline section provides insight into the scope of voting activity, including how votes against management is concentrated.
- LPPI is responsible for voting on each decision taken, working in partnership with Institutional Shareholder Services to best inform views prior to taking action.
- The map of votes per region is included because different jurisdictions have different voting seasons. This provides context to the reporting of voting statistics quarter to quarter as votes take place in batches depending on the companies domicile at different points throughout the year.

#### Engagement (Public Markets)

- Engagement is an active, long-term dialogue between investors and companies on environmental, social and governance factors, which can be executed through a variety of channels.
- LPPI has engaged an external provider (Robeco Active Ownership Team) to supplement dialogue underway by LPPI and external delegate managers.
- This section outlines the engagement activities undertaken by Robeco in the public markets by topic, sector, method, and region (indicating the number of companies engaged / geographical distribution).
- "Activity by method" summarises engagements by category / method and can include multiple inputs from the same company.
- The updated Robeco Active Ownership report summarises our engagement activities for the quarter and breaks them down into sub-sectors, where they are rated on success/progress (shown as a %).
- Page 9 of the Robeco stewardship policy outlines further details of their process: <https://www.robeco.com/docm/docu-robeco-stewardship-policy.pdf>

### Real World Outcomes (Pages 6 - 8)

- This section provides real world ESG case studies, relevant to the Pension Fund's holdings, which rotate between asset classes each quarter.
- The focus of the real world outcomes rotates between asset classes for each quarter in the following pattern:
  - Q1 – Infrastructure
  - Q2 – Real Estate
  - Q3 – Private Equity
  - Q4 – GEF
- The case studies are an in-depth review of positive ESG practices for current investments within the portfolio over the past year.

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