

Lancashire County 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 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	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	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 17	Innovative features of approach to RI	✓	Public							✓
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public	✓						
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						
SAM 06	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 07.1	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 07.2-5	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 08	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 09	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 10	Percentage of (proxy) votes	⚙	n/a		✓					
SAM 11	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 12	Examples of ESG issues in selection, appointment and monitoring processes	⚙	Public	✓						✓
SAM 13	Disclosure of RI considerations	✓	Public							✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 13	ESG issues in index construction	🔒	n/a	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
LEI End	Module confirmation page	✓	-							

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 collaborative engagement	✓	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	🔒	n/a		✓					
LEA 12	Engagement methods	🔒	Public		✓					
LEA 13	Engagements on E, S and/or G issues	🔒	n/a		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 15	Examples of ESG engagements	✓	Public		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	🔒	n/a	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	🔒	n/a		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	🔒	n/a		✓					
LEA 21	Securities lending programme	🔒	n/a		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	🔒	n/a		✓					
LEA 23	Percentage of (proxy) votes cast	🔒	n/a		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	🔒	n/a		✓					
LEA 25	Shareholder resolutions	🔒	n/a		✓					
LEA 26	Examples of (proxy) voting activities	🔒	n/a		✓					
LEA 27	Disclosing voting activities	🔒	n/a		✓				✓	
LEA End	Module confirmation page	✓	-							

Lancashire County Pension Fund

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- ☒ 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
- ☐ Endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Family office
- ☐ Other, specify

OO 02	Mandatory	Public	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

3

OO 02.4 Additional information. [Optional]

Lancashire County Pension Fund (LCPF) directly employs 3fte staff and receives a full range of pension services from the Local Pensions Partnership (LPP) which employs 100fte staff.

OO 03	Mandatory	Public	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

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2016

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		6	887	849	525
Currency	GBP				
Assets in USD		8	769	647	863

OO 06

Mandatory

Public

Descriptive

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1

How you would like to disclose your asset class mix.

- ☐ as percentage breakdown
☒ as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	0	0
Private equity	0	<10%
Property	0	10-50%
Infrastructure	<10%	<10%
Commodities	0	0
Hedge funds	0	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	<10%
Other (1), specify	<10%	10-50%
Other (2), specify	0	0

	'Other (1)' specified
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Global Credit

OO 06.2	Publish our asset class mix as per attached image [Optional].
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OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 08.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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Asset class breakdown	Segregated mandate(s)	Pooled fund(s)
[a] Listed equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
[f] Private equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[g] Property	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[h] Infrastructure	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[n] Cash	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[o] Other (1), specify	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Total externally managed assets	<i>Please ensure the entire table (both columns combined) totals to 100%</i>	

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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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 %
<i>Total</i>	<i>100%</i>

Gateway asset class implementation indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1

Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- ☒ We incorporate ESG in our investment decisions on our internally managed assets
- ☒ We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- ☐ We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2

Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers
- ☒ We require our external managers to engage with companies on ESG issues on our behalf
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.3

Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- ☐ We cast our (proxy) votes directly or via dedicated voting providers
- ☒ We require our external managers to vote on our behalf
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- ☒ Infrastructure
- ☒ Other (1)
- ☐ None of the above

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

OO 11.2	Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)
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- ☒ Private equity
- ☒ Property
- ☒ Infrastructure
- ☐ Cash
- ☒ Other (1)
- ☐ None of the above

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

DRAFT

Lancashire County Pension Fund

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="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

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☒ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Processes / approaches to incorporating ESG
- ☒ Time horizon of your investment
- ☐ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☐ Reporting
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- ☐ UN Global Compact Principles
- ☐ UN Guiding Principles on Business and Human Rights
- ☐ Universal Declaration of Human Rights
- ☐ International Bill of Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify (1)

other (1) description

The Fund is a member of LAPFF whose policies are based on law, regulation, codes and policies relevant to responsible investment (reflecting all above norms).

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

SG 01.5

Describe your organisation's investment principles, and overall investment strategy, and how they consider ESG factors and real economy impact.

Investment Objectives

The Fund's primary investment objective is to ensure that over the long term the Fund will have sufficient assets to meet all pension liabilities as they fall due.

In order to meet this overriding objective the Pension Fund Committee maintains an investment policy so as to:

- Maximise the returns from investments whilst keeping risk within acceptable levels and ensuring liquidity requirements are at all times met;
- Contribute towards achieving and maintaining a future funding level of 100%;

The Fund will use its influence as a large institutional investor to encourage responsible long-term behaviour in the enterprises in which it invests.

☐ No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- ☒ Policy setting out your overall approach

URL/Attachment

☒ URL

URL

http://www.yourpensionservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☒ Attachment (will be made public)

Attachment

[Lancashire County Pension Fund Strategy Statement 2016.pdf](#)

☐ Screening / exclusions policy

☐ Engagement policy

☒ (Proxy) voting policy

URL/Attachment

☒ URL

URL

http://www.yourpensionservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☒ Attachment (will be made public)

Attachment

[Lancashire County Pension Fund Strategy Statement 2016.pdf](#)

☐ We do not publicly disclose our investment policy documents

SG 02.2

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

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

URL/Attachment

☒ URL

	URL
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http://www.yourpensionsservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ Attachment

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

	URL/Attachment
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☒ URL

	URL
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http://www.yourpensionsservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ Attachment

☒ Processes / approaches to incorporating ESG

	URL/Attachment
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☒ URL

	URL
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http://www.yourpensionsservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ Attachment

☐ Time horizon of your investment

☒ ESG incorporation approaches

	URL/Attachment
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☒ URL

	URL
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http://www.yourpensionsservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ Attachment

☒ Active ownership approaches

	URL/Attachment
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☒ URL

URL

http://www.yourpensionservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ Attachment

☐ We do not publicly disclose any investment policy components

SG 02.3

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

☒ Yes

Url

http://www.yourpensionservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

☐ No

SG 02.4

Additional information [Optional].

Under the Local Government Pensions Scheme (LGPS) Investment Regulations 2016 which came into force on 1st November 2016 it became a requirement for every Local Government Pension Fund to publish an Investment Strategy Statement (ISS).

ISSs have taken the place of Statements of Investment Principles (SIPs) and have been introduced to accommodate asset pooling between LGPS Funds.

Lancashire County Pension Fund published its first ISS in October 2016. The statement is available from the Fund's website along with the SIP it superceded plus a range of other documents which provide additional detail and context on the Fund's approach to governance and stewardship as part of responsible investment.

SG 03

Mandatory

Public

Core Assessed

General

SG 03.1

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

☒ Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Lancashire County Pension Fund is administered by Lancashire County Council.

Under the cabinet structure within local government, management of the pension fund is a non-executive function. Decision making on Investment Strategy is by a Pension Fund Committee comprising 14 County Councillors and 7 voting co-optees which reports directly to Full Council and is supported by a Head of Fund as responsible officer.

Potential conflicts of interest are managed in accordance with the County Council's Code of Conduct for Elected Members and its Code of Conduct for Employees.

The approach is to ensure Members (and the officers and advisors supporting them) have a clear understanding of what a potential conflict of interest is, how such conflicts may arise, and what they must do to ensure that no actual conflict materialises.

All members of the Pension Fund Committee are required to submit a formal record of their interests on an annual basis and to declare any interests which relate to forthcoming items of business. Where an interest exists in any upcoming item of business at a Committee meeting an independent assessment will be made

of the materiality of the interest and the appropriateness of excluding the person from participation in a decision.

☐ No

SG 03.3	Additional information. [Optional]
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The Local Pensions Partnership is the Fund's provider of investment management services.

Local Pensions Partnership Investments Limited (LPP I) is responsible for putting the Fund's investment strategy into implementation. LPP I is an FCA regulated entity with a Conflicts of Interest Policy which establishes the parameters of good governance in the management of conflicts.

The Policy identifies the types of conflicts and potential conflicts which may arise and the approach to managing these through robust governance arrangements which include segregation of functions, conflict management controls and an annual disclosure of interests protocol.

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
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☐ Yes

☒ No

SG 04.2	Describe your process on managing incidents
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The Fund does not identify incidents directly but its provider of investment management services has a monitoring process.

Local Pensions Partnership Investments Limited routinely tracks issues with investee companies in order to identify those requiring management. Monitoring includes the consideration of ESG issues and if a material matter arises it will trigger a conversation with the external manager seeking their insight and involvement or prompt further research which may result in contact with the company concerned.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad-hoc basis
- ☐ It is not reviewed

SG 05.2	Additional information. [Optional]
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Whilst the Pension Fund Committee receives a report from LPP on Responsible Investment activity on a quarterly basis the review of underlying objectives is undertaken on an adhoc basis in response to unfolding events and with the benefit of evolving insight.

As a member of the Local Authority Pension Fund Forum the Fund participates in LAPFFs annual review of the objectives for its RI activities. The Fund contributes to the agreement of the Forum's annual workplan and the review of its RI Policies and Guides.

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- ☐ Provide training on ESG incorporation
- ☐ Provide training on ESG engagement
- ☐ Improved communication of ESG activities within the organisation
- ☐ Improved engagement to encourage change with regards to management of ESG issues
- ☐ Improved ESG incorporation into investment decision making processes
- ☒ Other, specify (1)

Launching the Local Pensions Partnership with the London Pensions Fund Authority and building RI into new management and investment arrangements as part of pooling.

	Key performance indicator
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The inclusion of stewardship and responsible investment requirements within the Advisory and Management Agreement with LPP Investments Ltd as the Fund's investment manager.

	Progress achieved
--	-------------------

Achieved in full.

The Advisory and Management Agreement (AMA) with Local Pensions Partnership Investments Ltd includes a formal requirement for LPP to support the Fund as a responsible investor and to deliver and report against the commitments the Fund has made as a signatory to the PRI.

The LPP I Responsible Investment Policy explains the approach to stewardship through which our investment strategy is put into implementation and includes specific reference to the PRI Principles.

- ☐ Other, specify (2)
- ☐ Other, specify (3)

	Financial performance of investments
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- ☐ Increase portfolio performance by consideration of ESG factors
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

ESG characteristics of investments

- ☐ Over or underweight companies based on ESG characteristics
- ☐ Improve ESG ratings of portfolio
- ☐ Setting carbon reduction targets for portfolio
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

Other activities

- ☒ Joining and/or participation in RI initiatives

Key performance indicator

Represented at the Local Authority Pension Fund Forum (via quarterly Business Meetings and the Annual Conference) and influencing the Forum's work plan and focus.

Progress achieved

Achieved in full through the offices of the Responsible Investment Manager (LPP) who has attended business meetings, drafted responses to surveys and consultations, liaised with the Forum and its officers and submitted suggestions for the inclusion of new ideas within the evolving workplan.

The Fund's membership of LAPFF is one of the main routes for exercising ownership influence in collaboration with other investors. It is a priority for the Fund to remain connected with the Forum, informed about its initiatives and supportive of its work in order to ensure our interests are being represented and met.

- ☐ Encouraging others to join a RI initiative
- ☐ Documentation of best practice case studies
- ☐ Using case studies to demonstrate engagement and ESG incorporation to clients
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

SG 06.2	Additional information.
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The government's pooling agenda for Local Government Pension Schemes has accelerated joint working between funds and prompted the creation of a Cross Pool Collaboration Group (CPCG) to share insight between the emerging pools.

A Responsible Investment sub-group to the CPCG has been formed to ensure each pool is giving due consideration to stewardship and ESG matters and RI practitioners are linking with each other, sharing expertise and working collaboratively to increase the RI focus of LGPS funds who are less developed in this area.

The Local Pensions Partnership has been present at each of the RI Sub-group meetings, representing the Lancashire Fund and LPFA, creating links with other funds and meeting jointly with representative bodies including the Financial Reporting Council and the DCLG.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
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- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
- ☒ Other Chief-level staff or head of department, specify
 - Head of Fund**
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Portfolio managers
- ☐ 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
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Pension Fund Committee (Oversight)

The Pension Fund Committee fulfils the responsibilities of Lancashire County Council as the Administering Authority for the Lancashire County Pension Fund. Committee members are jointly responsible for ensuring appropriate arrangements are in place for the effective stewardship of the Fund's assets including the exercise of any ownership rights (including voting rights) attached to investments and the approach to taking environmental, social and governance (ESG) considerations into account as part of decision-making.

The Committee sets the tenor and agrees the terms of the Fund's relationship with its provider of investment management services the Local Pensions Partnership (LPP). The Fund's stewardship requirements have been set out formally within an Advisory and Management Agreement (AMA) and within an Investment Strategy Statement (ISS) which describe the Fund's approach and the standards they require.

The Committee receives regular reports on Responsible Investment activities from LPP as part of monitoring the practical execution of the stewardship activities undertaken on its behalf. This includes a quarterly report on shareholder voting.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and of the Pensions and Lifetime Savings Association which represent and advocate proactively on behalf of Pension Funds as long term investors. The insight and best practice shared by these organisations help to enrich and update the Fund's approach and also signpost to potential collaborations and joint investor actions they may wish to join.

Head of Fund (Oversight)

The Head of Fund supports the Pension Fund Committee members in setting standards for stewardship and liaises directly with LPP on its approach to execution, both to ensure standards are being applied and in response to any specific questions from Committee members and stakeholders.

External Managers/Service Providers (Implementation)

The Fund's approach to stewardship (including the requirements identified within the AMA and ISS) is implemented in practice by LPP. This is done in line with the LPP Responsible Investment Policy which describes the beliefs, standards, procedures and activities through which the fiduciary responsibilities of client pension funds will be fulfilled. The Policy explicitly recognises the requirement to comply with the principles UK Stewardship Code and to deliver against the commitments of clients who are signatories to the PRI.

The arrangements for oversight and implementation of responsible investment by LPP include the following:

- Stewardship Committee chaired by the LPP I Chief Investment Officer which meets quarterly
- Dedicated Responsible Investment Manager
- Internal Portfolio Managers responsible for the integration of ESG within due diligence and active ownership practices

The Fund is a beneficial owner of shares in listed companies through its investment in a Global Equities Pool managed by LPP. The arrangements for voting all shares within the pool are overseen centrally by LPP. Votes are executed by an external provider of proxy voting services in line with an agreed voting policy unless LPP instructs a different stance. The Fund receives quarterly reports from LPP on shareholder voting.

Wider ownership responsibilities are exercised by LPP through monitoring and engagement focussed on identifying material issues and considering them in light of long term shareholder interests and the circumstances at play within individual companies rather formulaically. LPP portfolio Managers and Analysts use a range of information sources to gain insight on ESG issues at individual companies and to identify areas of risk or issues of concern for follow-up.

Where LPP appoint external managers the approach to stewardship and ESG is considered as part of manager selection. External managers are required to support the Fund's commitment to RI and to help it fulfil and report against the 6 principles.

LPP actively seeks opportunities for collaboration with other investors as part of trying to gain maximum impact from stewardship resources. New insights are gained through linking into broader networks in order to learn from others. Opportunities to act collectively are supported where they are likely to achieve a greater influence than acting alone would do and when they directly address the long term interests of pension fund beneficiaries.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.			
	Number			
0				
SG 07.4	Additional information. [Optional]			
<p>The Local Pensions Partnership (LPP Investments Ltd) has a dedicated Responsible Investment Manager who supports the Fund in this area, through sharing expertise and insight, developing policy and practice, linking with wider networks and initiatives, leading on the delivery of stewardship and RI activities and monitoring and reporting on progress.</p> <p>The RI Manager sits on the Stewardship Committee, is a member of the Investment Team and reports to the Chief Investment Officer.</p>				
08	Voluntary	Public	Additional Assessed	General
SG 08.1	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

SG 08.2

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

At the request of the Fund, Local Pensions Partnership Investments Ltd delivered a workshop on Responsible Investment to members of the Pension Fund Committee and Local Pension Board (December 2016). The session helped to interpret changes brought about by the new LGPS Investment Regulations and by LGPS asset pooling. It also encouraged a focus on the needs of the Fund as an asset owner receiving services from a dedicated provider of investment management services.

The Pension Fund Committee is receiving quarterly reports on the Responsible Investment activity undertaken on its behalf by the Local Pensions Partnership which provide an opportunity for asking questions and considering further objectives.

Members of the Pension Fund Committee are encouraged to identify and attend external conferences and events which can help to expand their insight and experience.

During the reporting year the Committee sent delegates to the Local Authority Pension Fund Forum's Annual Conference where they networked with other LGPS funds and considered stewardship issues as part of asset pooling. In particular this flagged up how the Fund's status as an asset owner might change (to become beneficial rather than direct) and highlighted the importance of specifying the Fund's stewardship requirements to investment providers.

- ☐ None of the above

Other C-level staff or head of department

Head of Fund

- ☐ 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

SG 08.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

The Head of Fund provides direct support to the Pension Fund Committee and encourages members to gain the knowledge and insight required to fulfil their joint responsibility for operating effective stewardship arrangements on behalf of the Fund and its beneficiaries.

SG 08.4

Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

Members of the Pension Fund Committee and the Head of Fund have a good understanding of the rationale for Responsible Investment and the importance of incorporating ESG factors into investment decision-making. The Fund took the decision to become a signatory to the PRI on the basis of this insight and conviction. LPP's Responsible Investment Policy has recently given members additional detail and context which has reconfirmed the relevance of ESG factors to the Fund's long term investment horizon and reinforced that ESG issues are a material financial concern for Pension Funds.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1

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

Select all that apply

☒ 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 Fund is a relatively new signatory to the PRI and is reporting against the principles for the first time in 2017.

During the reporting year the Fund has responded to a detailed PRI consultation (Sustainable Financial System, Principles, Impact - JUNE 2016) which was launched in order to inform the Blueprint for Responsible Investment.

- ☐ AFIC – La Commission ESG
- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ ESG Research Australia
- ☐ Eumedion
- ☐ EVCA – Responsible Investment Roundtable
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☒ Local Authority Pension Fund Forum

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 Fund has attended the AGM and quarterly business meetings of LAPFF and also sent delegates to the annual conference. The Fund has responded to questionnaires, provided feedback on specific questions, supplied holdings information and offered insight on potential new initiatives and the extent to which these would assist the Fund as an asset owner.

The Fund has sent delegates to seminars organised by LAPFF and offered opinion on the future shape of LAPFF as it evolves to accommodate asset pooling within the LGPS.

- ☐ Principles for Sustainable Insurance
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

The Fund has shared insight with members of the UK Pension Fund Responsible Investment Roundtable Group

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]

The UK Pension Fund Responsible Investment Roundtable Group is an informal association of UK Pension Funds who are seeking to learn from each other and to act collaboratively on issues of shared concern. The Fund joined the group shortly before pooling its assets with LPFA to form the Local Pensions Partnership in April 2016. Participation was focussed primarily on learning from other funds with a more developed approach to RI and identifying issues on which it could share insight and ideas and contribute to mutually beneficial goals.

Since the launch of the Local Pensions Partnership the Fund's membership of the group has transitioned over to the Responsible Investment Manager (LPP) who is actively participating in events and supporting developing initiatives around joint engagement efforts.

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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

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

- ☒ Yes

SG 10.2

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
- ☐ Wrote articles on responsible investment in the media.
- ☐ Other, specify

☐ No

SG 10.3

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

The Fund was a founding authority for the LGPS National Procurement Framework for Stewardship and ESG Services during 2016.

The framework is designed to enable LGPS (and potentially other public sector pension funds) to access service providers able to support their core stewardship needs (Voting, engagement, analytics and research/special projects). In providing support to the development of the framework the Fund has contributed to ensuring small funds with limited resources can more easily contract with providers who have been quality assured and have indicated how they are able to offer added value to clients using the framework to procure services.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1

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

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

SG 11.2

Select the methods you have used.

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

SG 11.3

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

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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The Fund has endorsed LAPFF's work on climate change (shareholder resolutions - Aiming for A).

Through the RI Subgroup to the LGPS Cross Pool Collaboration Group, the Fund has contributed thoughts and insight into the DCLG's development of guidance on Stewardship and Responsible Investment as part of the new requirement for Funds to publish Investment Strategy Statements.

Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- ☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- ☐ We execute other scenario analysis, specify
- ☒ We do not execute such scenario analysis and/or modelling

SG 12.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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- ☐ We do the following
- ☒ We do not consider ESG issues in strategic asset allocation

SG 13	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 13.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
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- ☐ Changing demographics
- ☒ Climate change

SG 13.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☒ Targeted low carbon or climate resilient investments
- ☐ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☐ Used emissions data or analysis to inform investment decision making
- ☐ Sought climate change integration by companies
- ☐ Sought climate supportive policy from governments
- ☐ Other, specify
- ☐ None of the above

SG 13.3

Indicate which of the following tools you use to manage emissions risks and opportunities

- ☐ Carbon footprinting
- ☐ Scenario testing
- ☐ Disclosure on emissions risk to clients/trustees/management/beneficiaries
- ☐ Target setting for emissions risk reduction
- ☐ Encourage internal and/or external portfolio managers to monitor emissions risk
- ☐ Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- ☐ Other, specify
- ☒ None of the above

Please explain why not

LPP are currently looking at the tools and metrics available to identify the level of exposure faced through the listed equities asset class. This is a next step for the Fund and has been awaiting the pooling of listed equities with the London Pensions Fund Authority to create the Global Equities Pool managed by LPP which was launched on 1st November 2016.

- ☐ Resource scarcity
- ☐ Technology developments
- ☐ Other, specify(1)
- ☐ Other, specify(2)
- ☐ None of the above

SG 14

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 14.1

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

- ☐ Yes
- ☒ No

SG 15	Mandatory	Public	Descriptive	General
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SG 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.			
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DRAFT

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equity - (proxy) voting	<p>The Local Pensions Partnership (LPP) is the Fund's provider of investment management services.</p> <p>The totality of the Fund's investment in listed equities is via a Global Equities Pool managed by LPP.</p> <p>Shareholder voting is managed centrally by LPP to ensure a consistent approach across the portfolio. An external provider of proxy voting services oversees ballot management and vote execution.</p> <p>Voting is in line with a baseline voting policy unless LPP identifies circumstances in which an alternative stance is more appropriate, in which case it will instruct a different vote. LPP reviews upcoming meetings for issues where it is appropriate to support shareholder resolutions or to oppose management recommendations to protect the long term financial interests of client funds as investors.</p> <p>Shareholder voting is an important route for exercising ownership responsibilities and seeking to influence companies to adopt high standards of corporate governance and develop sustainable business practices.</p> <p>A quarterly review of voting is a standing agenda item for the LPP Stewardship Committee both as a basis for identifying themes, trends and issues for follow-up with managers and providing summary information to the Fund on voting undertaken within the period.</p>
Infrastructure	<p>The Fund's portfolio of infrastructure investments includes direct investments managed internally by Local Pensions Partnership Investments Ltd (LPP I).</p> <p>LPP I has procedures in place for ensuring that the commitment (set out within its Responsible Investment Policy) to incorporate ESG issues into investment analysis and decision-making processes is being fulfilled in practice across all asset classes.</p> <p>The LPP I Investment Governance and Due Diligence Procedure directs how the firm will perform due diligence in the selection and ongoing monitoring of investments. It is a requirement under this procedure for all due diligence to routinely include the consideration of ESG matters. Due diligence will reflect the time horizon over which an investment is likely to extend which in the case of direct investments in infrastructure may involve a significant period of association which has different risk implications to investments of shorter duration but the potential for exerting greater influence.</p> <p>Post investment ESG issues will be raised as part of regular conversations with investee companies and may also be addressed as part of LPPI's representation on a company's board (through a directorship or observer status).</p>
Other (1) [as defined in Organisational Overview module]	<p>The Fund's portfolio of investments in Global Credit includes some investments managed directly (internally) by Local Pensions Partnership Investments Ltd (LPP I).</p> <p>Local Pensions Partnership Investments Ltd (LPP I) has procedures in place for ensuring that the commitment (set out within its Responsible Investment Policy) to incorporate ESG issues into investment analysis and decision-making processes is being fulfilled in practice across all asset classes.</p> <p>The LPP I Investment Governance and Due Diligence Procedure directs how the firm will perform due diligence in the selection and ongoing monitoring of investments. It is a requirement under this procedure for all due diligence to routinely include the consideration of ESG matters.</p> <p>Due diligence will reflect the time horizon over which the investment will extend and the risk associated with the business in this period, including its planning for the future.</p> <p>Post investment ESG issues will be raised as part of regular conversations with investee companies and may also be addressed as part of LPPI's representation on a company's board (through a directorship or observer status).</p>

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	<p>The Fund's portfolio of private equity investments comprises funds managed by external GPs who are monitored and overseen by LPP. All new investments entered into since the launch of LPP in April 2016 have included consideration of the GP's approach to RI/ESG as part of the due diligence leading to manager selection.</p> <p>Manager monitoring routinely includes the discussion of any material ESG issues arising and how these are being addressed by the manager concerned.</p> <p>Where LPP separately identifies ESG issues within the companies in which it has interests via PE funds these are raised with the GP concerned.</p>
Infrastructure	<p>The Fund's portfolio of infrastructure investments comprises funds managed by external GPs, co-investment projects and direct investments managed internally by the Local Pensions Partnership Investments Ltd.</p> <p>For externally managed assets ESG issues are addressed as part of manager selection and as part of the detailed due diligence undertaken prior to making the decision to invest.</p> <p>The identification of post investment ESG issues forms part of the ongoing process of monitoring which feeds into regular conversations with fund managers. In addition, dialogue may take place through LPP's representation on GP advisory boards.</p>
Other (1) [as defined in Organisational Overview module]	<p>The Fund's externally managed investments in Global Credit are via funds managed by GPs who are monitored and overseen by Local Pensions Partnership Investments Ltd. All investments entered into since the launch of LPP in April 2016 have incorporated the identification of any material ESG issues as part of the due diligence leading to manager selection.</p> <p>Manager monitoring includes the discussion of any material ESG issues arising and how these are being addressed by the manager concerned.</p> <p>Where LPP separately identifies material ESG issues or concerns these are raised with the GP.</p>

Innovation

SG 17	Voluntary	Public	Descriptive	General
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SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- ☐ Yes
☒ No

Lancashire County 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 01	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SAM 01.1 Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- ☐ Yes, we use investment consultants
- ☒ Yes, we use a fiduciary manager that delegates management of some or all of our assets to third-party managers.

SAM 01.4 Indicate if your organisation considers responsible investment in the monitoring processes for fiduciary managers.

- ☒ Responsible investment is considered when monitoring our fiduciary manager

SAM 01.5 Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- ☐ Including responsible investment as a standard agenda item at performance review meetings
- ☒ Discussing whether the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG factors
- ☒ Discussing whether the manager has acted in accordance with your organisation's overall strategy on responsible investment and ESG factors
- ☒ Discussing whether the manager has acted in accordance with your organisation's overall policy on responsible investment and ESG factors
- ☐ Reviewing the manager's PRI Transparency or Assessment reports
- ☐ Reviewing the manager's responsible investment reporting (excluding PRI generated reports)
- ☐ Reviewing ESG characteristics of the portfolio
- ☐ Reviewing the impact of ESG factors on financial performance
- ☐ Encouraging your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors
- ☐ Including responsible investment criteria as a formal component of overall manager performance evaluation
- ☐ Other general aspects of your monitoring; specify

SAM 01.6 Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach [Optional].

The Pension Fund Committee receives quarterly reports on Responsible Investment activity from Local Pensions Partnership Investments Ltd (as their provider of Investment Management Services).

Reports address the approach the Committee has set for stewardship and Responsible Investment within their Investment Strategy Statement plus any additional priorities identified for action.

LPP I's Responsible Investment Policy explains the beliefs, standards, procedures and activities through which fiduciary responsibilities are fulfilled. The policy explicitly recognises a requirement to comply with the UK Stewardship Code and to deliver against the commitments of Funds who are signatories to the Principles of Responsible Investment. The best practice principles laid out within these two external standards for Responsible Investment activity provide an objective framework for judging the effectiveness of LPP.

The Committee considers LPP I's performance on an ongoing basis and where it has additional requirements or questions these are discussed with LPP via the Head of Fund.

- ☐ We do not consider responsible investment in the monitoring processes for fiduciary managers
- ☐ No, we do not use investment consultants or fiduciary managers.

SAM 02	Mandatory	Public	Gateway	PRI 1
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SAM 02.1	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
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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"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.2	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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Local Pensions Partnership Investments Ltd (LPP I) has procedures in place for ensuring that the commitment (set out within its Responsible Investment Policy) to incorporate ESG issues into investment analysis and decision-making processes is being fulfilled in practice.

The LPP I Investment Governance and Due Diligence Procedure directs how the firm will perform due diligence in the selection and ongoing monitoring of investments. Under this procedure it is a requirement for all due diligence to routinely include the consideration of ESG matters in compliance with LPP I's Responsible Investment Policy.

The procedure is put into practice through defined processes for the selection and monitoring of external managers and for the selection and monitoring of investments managed directly by LPP I. Both processes include a requirement for material ESG matters to be identified as part of the selection process in order that they can be considered within decision-making and picked up within ongoing monitoring activity as appropriate. For each investment, a due diligence checklist is prepared which evidences that due diligence has been fully and appropriately undertaken and this must be signed off by the Compliance Team as part of the investment decision being finalised.

Within the Investment Team, LPP I has a dedicated Responsible Investment Manager who contributes to assessing the ESG/RI capabilities of prospective managers and supports investment staff in developing their insight into the materiality of different ESG considerations within different asset classes.

LPP I asks external managers how material ESG considerations are being identified and incorporated into their investment processes. Managers are required to support the policies LPP I has in place for ensuring decision-making is in line with responsible investment practice and considers the long term financial interests of pension fund beneficiaries.

All investments, whether they are managed internally or externally, are subject to ongoing review. Monitoring is applied against all mandates and incorporates the exchange of information on any material ESG/RI issues as part of ongoing conversations. Separately, the RI Manager is in contact with external managers and their ESG specialists (where these are in place) as part of encouraging knowledge sharing on key themes, explaining client priorities and identifying opportunities for working collaboratively.

Listed Equity and Fixed Income Strategies

SAM 03	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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SAM 03.1 Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)		Passive	
	0		
		Active - quantitative (quant)	
	0		
		Active - fundamental and active - other	
	100		
	100%		

SAM 03.2 Additional information [Optional].

The totality of the Fund's investment in listed equities is via its ownership of units in a Global Equities Pool managed by Local Pensions Partnership Investments Ltd.

The Global Equities Pool is 100% actively managed.

SAM 04	Mandatory	Public	Gateway	PRI 1,2
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SAM 04.1 Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:

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

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

SAM 04.3

Additional information. [Optional]

All managers are required to integrate the consideration of material ESG considerations within their investment decision-making.

As part of their in-house approach to responsible investment and ESG, managers may elect to apply screening in addition to integration.

Selection

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

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

	LE						Property	
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
ESG incorporation requirements	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
ESG reporting requirements	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>						<input type="checkbox"/>	
No RI information covered in the RFPs	<input type="checkbox"/>						<input type="checkbox"/>	

SAM 05.2

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

Strategy

	LE							Property	
Assess the time horizon of the investment manager's investment strategy	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>							<input type="checkbox"/>	
None of the above	<input type="checkbox"/>							<input type="checkbox"/>	

ESG people/oversight

	LE							Property	
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Review the ownership of the ESG implementation	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>							<input type="checkbox"/>	
None of the above	<input type="checkbox"/>							<input type="checkbox"/>	

Process/portfolio construction/investment valuation

	LE						Property	
Review the process ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>						<input type="checkbox"/>	
Review and agree the investment decision making process (and ESG data use in it)	<input type="checkbox"/>						<input type="checkbox"/>	
Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions	<input type="checkbox"/>						<input type="checkbox"/>	
Review and agree how the manager is targeting returns and ESG objectives	<input type="checkbox"/>						<input type="checkbox"/>	
Review and agree how the manager identifies, measures and manages ESG risk	<input type="checkbox"/>						<input type="checkbox"/>	
Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives	<input type="checkbox"/>						<input type="checkbox"/>	
Review how ESG materiality is evaluated by the manager in the monitored period	<input type="checkbox"/>						<input type="checkbox"/>	
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>						<input type="checkbox"/>	
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	

SAM 05.3

Describe the selection process

- ☒ Review responses to RfP, RfI, DDQ etc.
- ☐ Review Limited Partners' Responsible Investment Due Diligence Questionnaire (PE DDQ)
- ☒ Review publicly available information
- ☐ Review assurance process
- ☒ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers
- ☐ Site visits to potential managers offices
- ☐ Other, specify

SAM 05.4

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

	LE						Property	
ESG score	<input type="checkbox"/>						<input type="checkbox"/>	
ESG weight	<input type="checkbox"/>						<input type="checkbox"/>	
Real world economy targets	<input type="checkbox"/>						<input type="checkbox"/>	
Other RI considerations	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	

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

In selecting external managers, LPP I seeks to assess the degree of alignment between a prospective manager's investment approach and the LPP I Responsible Investment Policy which reflects the Fund's requirements as a responsible asset owner.

It is not a requirement for managers to be signatories to the PRI (though this is desirable).

Prospective managers are assessed on their openness to delivering against the commitments of client pension funds who are signatories to the PRI and on their willingness to align with, support and report on their RI activities as part of supporting and working with LPP I as a long term responsible investment manager.

SAM 06	Mandatory	Public	Additional Assessed	PRI 2
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SAM 06.1

Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager.

Engagement

	LE				
Review the manager's engagement policy	<input checked="" type="checkbox"/>				
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>				
Ensure that engagement outcomes feed back into the investment decision-making process	<input type="checkbox"/>				
Other engagement issues in your selection process specify	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

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

Review the manager's approach to working collaboratively with other investors either by supporting wider initiatives or via their membership of representative organisations and associations.

(Proxy) voting

	LE
Review the manager's voting ability within different ownership rights	<input type="checkbox"/>
Review the manager's voting policy	<input checked="" type="checkbox"/>
Ensure that voting outcomes feed back into the investment decision-making process	<input type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

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

The totality of the Fund's investment in listed equities is via its ownership of units in the Global Equities Pool managed by LPP I.

LPP I vote the equities within the Global Equities Pool centrally rather than devolving this to individual asset managers.

As part of assessing the effectiveness of listed equity managers, LPP will review their approach to voting as this is a good indicator of their stewardship approach and their commitment to active ownership overall.

The focus is on the voting approach in general, and not simply the manager's voting policy.

LPP are interested in

- what information sources are used by the asset manager to inform voting decisions,
- whether voting is informed by portfolio management insight or is a separate specialist function,
- whether the manager consistently votes with company management,
- whether they have supported or filed/co-filed shareholder resolutions,
- what investor collaborations they are involved with,
- what information they publicly disclose about voting,
- what information they are prepared to disclose confidentially to client funds as part of demonstrating their activity and assisting the client to report on stewardship to stakeholders.

SAM 06.2

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

- ☐ Impact on investment decisions
- ☐ Impact on company / asset level
- ☐ Impact on ESG profile or the portfolio
- ☐ Evidence of changes in corporate practices
- ☒ Other, specify

Assessment is currently mainly subjective and qualitative. It is based more on the activity level than the outcomes achieved, though we do ask for examples and case studies which demonstrate a positive impact.

- ☐ None of the above

SAM 06.3

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

- ☐ Impact on investment decisions
- ☐ Impact on ESG profile or the portfolio
- ☐ Evidence of changes in corporate practices
- ☐ Other, specify
- ☒ None of the above

SAM 06.4

Additional information [OPTIONAL]

LPP ask what information sources are used by the asset manager to inform voting decisions, whether voting is informed by portfolio management insight or is a separate specialist function, whether the manager consistently votes with company management, whether they have supported or filed/co-filed shareholder resolutions, what investor collaborations they are involved with, what information they publicly disclose about voting, what information they are prepared to disclose confidentially to client funds as part of demonstrating their activity and assisting the client to report on stewardship to stakeholders.

Appointment**SAM 07.1****Mandatory****Public****Core Assessed****PRI 1****SAM 07.1**

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment

- ☐ Sets standard or ESG benchmarks
- ☒ Defines ESG objectives
- ☐ Sets incentives and controls linked to the objectives
- ☒ Requires reporting on these objectives
- ☐ None of the above
- ☐ None of the above, we invest only in pooled funds and have a thorough selection process

SAM 07.2-5**Mandatory****Public****Core Assessed****PRI 1****SAM 07.2**

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

Asset class

☒ Listed equity (LE)

Benchmark

☒ We do not set benchmarks

Objectives

- ☐ Voting, specify
- ☐ Engagement, specify
- ☒ Integration, specify

Investment Management Agreements (IMA) are in place which define responsible investment as the integration of environmental, social and governance (ESG) factors into investment decision-making and associated stewardship activities.

IMAs include a requirement for Managers to establish appropriate systems and guidelines to ensure the identification and consideration of relevant environmental, social and governance factors as a routine part of investment decision making and ownership practices. This requirement recognises that such factors are directly relevant to the objective of value creation under a long-term buy and hold approach.

- ☐ Investment restrictions, specify
- ☐ Strategy, specify
- ☐ Other, specify

Incentives and controls

☒ We do not set incentives and controls

Reporting requirements

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

☒ Property

Benchmark

☒ We do not set benchmarks

Objectives

- ☐ Other, specify
- ☐ Voting, specify
- ☐ Engagement, specify
- ☒ Integration, specify

Overseen and monitored by LPP I, the Fund's investments in property are managed by a specialist external manager. Appointment included the requirement to support a commitment to long term

responsible investment by incorporating the six PRI principles into the overall investment approach. The Investment Guidelines which form part of the Investment Management Agreement include a section on environmental risks and sustainability which set a minimum BREEAM rating of excellent (or equivalent) for new construction and a minimum BREEAM rating of Very Good (or equivalent) for buildings subject to major refurbishment.

- ☐ Investment restrictions, specify
- ☐ Strategy, specify

Incentives and controls

- ☒ We do not set incentives and controls

Reporting requirements

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

SAM 07.3

Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process

	LE						Property	
Agree upon ESG reporting requirements	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Review ESG reporting processes and capacity in place	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Agree processes for raising ad-hoc ESG issues	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>						<input type="checkbox"/>	
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	

SAM 07.4

Explain which of these actions your organisation might take if any of the requirements are not met

- ☐ Discuss requirements not met and set project plan to rectify
- ☐ Review performance in more detail
- ☐ Place investment manager on a “watch list”
- ☒ Investigate reason for non-compliance
- ☐ Require action plan from the manager
- ☐ Negotiate fees
- ☐ Failing all actions, terminate contract with the manager
- ☐ Other, specify
- ☐ No actions are taken if any of the requirements are not met

Monitoring

SAM 08

Mandatory

Public

Core Assessed

PRI 1

SAM 08.1

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates from the investment manager in meetings/calls

	LE						Property	
ESG objectives linked to investment strategy	<input type="checkbox"/>						<input type="checkbox"/>	
Investment restrictions and any controversial investment decisions	<input type="checkbox"/>						<input type="checkbox"/>	
ESG incorporation objectives (with examples)	<input checked="" type="checkbox"/>						<input type="checkbox"/>	
ESG portfolio characteristics	<input type="checkbox"/>						<input type="checkbox"/>	
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>						<input type="checkbox"/>	
Information on any ESG incidents	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Metrics on the real economy influence of the investments	<input type="checkbox"/>						<input type="checkbox"/>	
PRI Transparency Reports	<input type="checkbox"/>						<input type="checkbox"/>	
PRI Assessment Reports	<input type="checkbox"/>						<input type="checkbox"/>	
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>						<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	

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

In monitoring the specialist property manager, reference is made to the ESG content of quarterly monitoring reports which routinely includes a section on sustainability initiatives detailing progress against existing initiatives such as the installation of photovoltaic panels and the improvement of building energy efficiency ratings.

SAM 08.2

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

	LE						Property	
ESG score	<input type="checkbox"/>						<input type="checkbox"/>	
ESG weight	<input type="checkbox"/>						<input type="checkbox"/>	
Real world economy targets	<input type="checkbox"/>						<input checked="" type="checkbox"/>	
Other RI considerations	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>						<input type="checkbox"/>	

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

Managers are asked to focus on and share details of ESG related activity they have undertaken during the reporting period and to share specific examples. They are also encouraged to disclose any collaborative initiatives they have been involved with and any new risks or issues they have identified, perhaps in association with impending regulation or other changes.

SAM 09	Mandatory	Public	Additional Assessed	PRI 1
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SAM 09.1 When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	LE				
Report on engagements undertaken (outcomes and examples)	<input checked="" type="checkbox"/>				
Account on engagement ESG impacts	<input type="checkbox"/>				
Other RI considerations relating to engagement in investment management agreements; specify	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

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

Participation in any wider investor initiatives or collaborations

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input type="checkbox"/>
Report on voting decisions taken	<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"/>

Outputs and outcomes

SAM 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SAM 11.1	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.
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	%
--	---

30

SAM 11.2	Describe how you ensure that best RI practice is applied to managing your assets
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- ☐ Encourage improved RI practices with existing investment managers
- ☐ Move assets over to investment managers with better RI practices
- ☒ Other, specify

Our focus in the reporting year has been on building RI into our Advisory and Management Agreement with the Local Pensions Partnership to ensure the standards we require as PRI signatories form part of the stewardship approach and practices exercised by all managers acting on the Fund's behalf.

Going forward we will be turning attention to developing our approach to monitoring the fulfilment of our requirements by our investment providers.

	Measures
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Specific content on RI/ESG included within the Asset and Management Agreement with the Local Pensions Partnership. Inclusion of the 6 PRI Principles within the AMA has ensured an objective basis for on-going assessment.

- ☐ None of the above

SAM 12 (Flagged)	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 12.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
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- ☒ Add Example 1

Topic or issue	Manager Selection
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Property
Scope and process	<p>The Local Pensions Partnership (LPP) was launched in April 2016.</p> <p>The transfer of investment management and advisory services from former arrangements to new arrangements under LPP management has involved lengthy and detailed legal, contractual and commercial processes. As part of the transition, emphasis was placed on specifying Responsible Investment requirements as part of the governance and stewardship arrangements to be put in place.</p> <p>The Fund is a relatively recent signatory to the PRI and is reporting for the first time in 2017. The steps we have taken to ensure our commitment to Responsible Investment is reflected in the asset management arrangements we have put in place with LPP and is the key way in which we have acted to address ESG issues in manager selection.</p> <p>Through the standards we have agreed with LPP, we have ensured it is a requirement for all managers working on behalf of the Fund to integrate the consideration of material ESG factors within investment decision-making and to help us deliver against the PRI principles.</p> <p>Our approach to monitoring the delivery of our requirements will evolve as we begin to consider our needs and priorities in further detail.</p>
Outcomes	<p>Our Advisory and Management Agreement with the Local Pensions Partnership includes an explicit requirement for investment management to incorporate ESG. This requirement extends to all asset classes.</p> <p>Our Investment Strategy Statement (ISS) was published in October 2016 and complies with new requirements implemented under the LGPS Management and Investment of Funds Regulations 2016 to have a policy on how ESG considerations are taken into account and how ownership rights are exercised. Our approach is to ensure these are a natural and integrated part of the way in which investment risks and opportunities are being identified, assessed and managed.</p> <p>The Local Pensions Partnership is in dialogue with the external managers who are managing the Fund's interests and is assessing their approach to RI/ESG matters and their stewardship on behalf of the Fund as part of monitoring.</p>

☒ Add Example 2

Topic or issue	Manager Monitoring
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Property
Scope and process	<p>On behalf of the Fund, LPP has agreed stewardship reporting requirements with each external manager of listed equities within the Global Equities Pool. These arrangements ensure a flow of information on stewardship activities as a basis for assessing performance and identifying examples of best practice.</p> <p>Monitoring includes both a quarterly dialogue and a more detailed annual review. As part of the 2016 annual review process managers were asked to provide an overview of their approach to Responsible Investment and of any changes made to this in the past 12 months, addressing:</p> <ul style="list-style-type: none"> • how they ensure RI practices and the consideration of ESG issues are integrated into the investment processes • how the ESG-related risks identified as part of investment analysis are taken into account within investment selection • current ESG themes • activities undertaken as part of protecting investor interests (voting, supporting/co-filing shareholder resolutions, engagement, collaboration, lobbying, research, thought leadership). • any practical challenges faced in fulfilling the requirements of clients committed to Responsible Investment and how they are working to overcome these. <p>Responses indicated managers are evolving and updating their policies in order to be able to explain to clients how they approach ESG and provide evidence of their stewardship activity (some quantified/some qualitative)</p>
Outcomes	<p>Managers are aware of the priority placed on RI by the Fund and are generally being responsive to the need to cover RI/ESG matters within their monitoring to LPP.</p> <p>Monitoring information includes both quantified and qualitative data. Quantification tends to focus on the number of engagements undertaken (which show a growth trend) and on the shareholder voting record (the number of meetings/resolutions voted, the proportion of votes supporting /opposing company management, support given to shareholder resolutions).</p> <p>Monitoring information is used by LPP to assess the performance of external managers against the underlying requirement for Responsible Investment practices in line with the PRI principles. The insight and information managers provide helps LPP to identify examples of good practice and opportunities for broader collaboration. It is also used to assist the Fund in reporting to beneficiaries and stakeholders on the stewardship of Fund assets.</p>

☒ Add Example 3

Topic or issue	Monitoring Process
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Property
Scope and process	<p>The Fund's investment manager for property assets is an external specialist overseen and monitored by LPP.</p> <p>Whilst the manager has always had a focus on the identification and management of environmental risks this was not always being reflected in the monitoring information routinely shared. In response to expressed interest in this subject (both the due diligence preceeding investment decisions and the programmes underway on assets in ownership) the scope of the information being provided has increased as part of due diligence and quarterly monitoring which now includes a specific section on sustainability.</p>
Outcomes	<p>Quarterly reports contain a specific section on sustainability which identifies any issues arising during the quarter (such as new regulatory requirements) plus commentary and figures on the latest progress with initiatives underway such as the instalation of photovoltaic panels and the improvement of building energy efficiency ratings.</p>

- ☐ Add Example 4
☐ Add Example 5
☐ We are not able to provide examples

Communication

SAM 13	Mandatory	Public	Core Assessed	PRI 6
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SAM 13.1	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.yourpensionservice.org.uk/local_government/?siteid=5921&pageid=33736&e=e

provide URL

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteId=183>

SAM 13.2

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

☒ Yes

SAM 13.3

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

Lancashire County Pension Fund

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

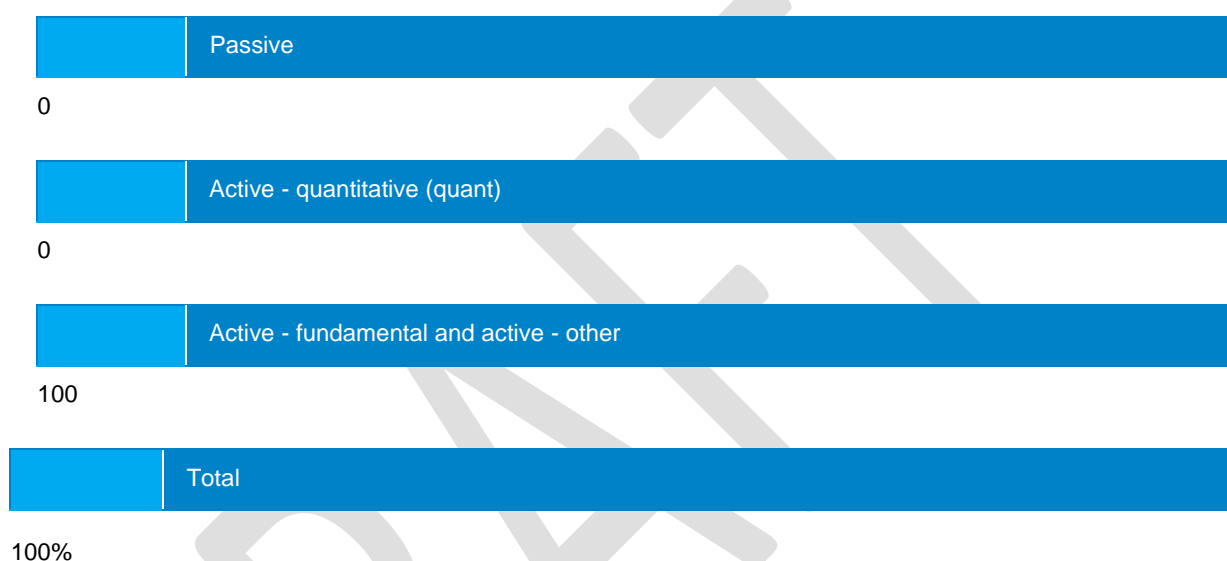
This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information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

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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LEI 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities



ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Public	Gateway	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 03.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☒ Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>100</div>
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- ☐ Screening and Integration strategies
- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

Total actively managed listed equities
100%

LEI 03.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

The Global Equities Pool managed by LPP is actively managed.

It is a requirement under the Investment Management Agreements (mandates) in place for ESG considerations to be integrated into investment decision-making by all managers.

Managers are not precluded from implementing other incorporation approaches (in line with their in-house approach to responsible investment and ESG) so long as these are complementary to integration.

The choice of integration reflects the Fund's commitment to the PRI principles and its recognition that the consideration of ESG is about identifying ESG issues which are material within the context of individual investment decisions. ESG issues vary by asset class, jurisdiction, geography and time horizon and the consideration of ESG factors within the specific parameters which apply is the best approach to identifying risks and recognising opportunities in a rapidly changing investment landscape.

LEI 04	Voluntary	Public	Additional Assessed	PRI 1
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LEI 04.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Screened stock list
- ☒ ESG issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Local Pensions Partnership Investments Ltd uses ESG information from a range of sources to identify material issues as part of stock selection decisions, post investment monitoring and engagement activity.

Information on ESG is sourced from external providers of ESG research (e.g. Bloomberg/ISS) and from analysis produced by other organisations such as CDP and Carbon Tracker Initiative. A growing range of ESG data is becoming available online direct from desktop applications and via internet search.

Information is sought which illuminates the risks and opportunities associated with a potential investment within its current (and potential future) context and ideally in comparison with a relevant peer group.

Further analysis of information from external sources may be undertaken in-house by Analysts, Portfolio Managers or the Responsible Investment Manager as part of performing investment due diligence.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
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- ☐ Yes
☒ No

LEI 05	Voluntary	Public	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- ☒ Engagement
 - ☒ We have a systematic process to ensure the information is made available.
 - ☐ We occasionally make this information available.
 - ☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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Through the oversight of the Local Pensions Partnership's Stewardship Committee which meets quarterly, relevant company specific and thematic information derived from engagement and collaboration is communicated to the internal portfolio manager for listed equities for use in investment decision-making.

(C) Implementation: Integration of ESG issues

LEI 10	Mandatory	Public	Core Assessed	PRI 1
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LEI 10.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<div>Environmental</div> <p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p>
Social	<div>Social</div> <p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p>
Corporate Governance	<div>Corporate Governance</div> <p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p>

LEI 11	Voluntary	Public	Additional Assessed	PRI 1
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LEI 11.1

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ Company information and/or ratings on ESG are updated regularly
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ☐ ESG risk profile of a portfolio against benchmark
- ☐ Other, specify
- ☐ None of the above

LEI 11.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 12**Mandatory to Report Voluntary to Disclose****Public****Core Assessed****PRI 1**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 12.1

Indicate which aspects of investment analysis you integrate ESG information into.

- ☒ Economic analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Industry analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Analysis of company strategy
 - ☒ Systematically
 - ☐ Occasionally
- ☐ Portfolio construction
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

Communication**LEI 17****Mandatory****Public****Core Assessed****PRI 2,6****LEI 17.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- ☒ We disclose it publicly

Provide URL

https://www.yourpensionservice.org.uk/local_government/index.asp?siteid=5921&pageid=33736&e=e

Provide URL

<http://council.lancashire.gov.uk/ieListMeetings.aspx?Committeed=183>

LEI 17.2

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

☒ Yes

LEI 17.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

LEI 17.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 17.7

Additional information. [Optional]

The Fund's approach to ESG incorporation (its policy on this) is set out within its Investment Strategy Statement which is available from the Fund's website and is reviewed annually.

Lancashire County Pension Fund

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1	Indicate whether your organisation has a formal engagement policy.
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- ☐ Yes
☒ No

LEA 01.5	Additional information [optional]
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The Fund does not have a formal engagement policy but engagement forms part of our approach to responsible investment which is described in our Investment Strategy Statement.

The active ownership we require of the Local Pensions Partnership as our provider of investment management services is set out in the Advisory and Management Agreement and extends to all external managers working on behalf of the Fund via the Investment Management Agreements (mandates) agreed with them.

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify The Fund is a member of the Local Authority Pension Fund Forum which ensures the specific investment interests of Local Government Pensions Schemes are represented <input type="checkbox"/> We do not engage via service providers

LEA 02.2 Additional information. [Optional]

The Fund does not engage directly and individually with companies on its own behalf but is a member of representative groups such as the Local Authority Pension Fund Forum (LAPFF) and the Pensions and Lifetime Savings Association through which it engages collaboratively as a Local Government Pension Scheme.

The Local Pensions Partnership (LPP) is the manager of the Global Equities Pool in which the Fund's interests in listed equity are invested. The Global Equities Pool encompasses both internally and externally managed equities.

The listed equities managed internally by LPP are subject to engagement directly with the companies concerned in circumstances where intervention is warranted to protect the long term financial interests of beneficiaries. As an asset manager LPP is also a member of collaborative groups and representative organisations through which it works collaboratively to support initiatives which further responsible investment practices and promote joint engagement with other pension funds and investment managers.

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1

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

- ☐ Yes
- ☒ No

LEA 04**Mandatory****Public****Core Assessed****PRI 2**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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
 - ☐ We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2

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

- ☒ Yes
- ☐ Yes, in all cases
 - ☒ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases
 - ☐ We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3

Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- ☐ Yes
- ☒ No

LEA 04.5

Additional information. [Optional]

The direct engagement with investee companies undertaken by LPP investment staff is issues driven and in response to specific concerns which are monitored and reviewed.

In addition to issues driven engagement activity, LPP has identified some more thematic priorities which are a basis for identifying opportunities (through the organisations and wider networks it belongs to) for engaging collaboratively alongside other investors.

These key themes are

- investor access to decision relevant information (standards of company disclosure)
- board diversity and independent representation on company boards
- effective arrangements for executive remuneration
- recognition and planning for systemic challenges (including risks faced from climate change)

Process for engagements conducted via collaborations

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 05.1

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

- ☐ Yes
☒ No

LEA 06	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 06.1

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- ☒ Yes
- ☐ Yes, for all engagement activities
 - ☒ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
 - ☐ We do not define specific objectives for engagement activities carried out collaboratively.

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
 - ☐ We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3

Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- ☐ Yes
☒ No

LEA 06.5

Additional information. [Optional]

The Fund recognises that the Local Pensions Partnership (LPP) and external managers overseen by LPP are best placed to identify the specific issues on which collaborative engagement is merited for individual companies and to recognise the best opportunities for addressing broader themes/priorities in collaboration with other asset owners.

For engagements led by the Local Authority Pension Fund Forum the Fund receives a quarterly update on the subject and quantum of activity undertaken and progress against key initiatives.

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

LEA 07	Mandatory	Public	Core Assessed	PRI 2,4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

- ☐ Discuss the topic (or ESG issue(s)) of engagement
- ☐ Discuss the rationale for engagement
- ☐ Discuss the objectives of the engagement
- ☐ Select the companies to be engaged with
- ☐ Discuss the frequency/intensity of interactions with companies
- ☐ Discuss progress towards the engagement objectives
- ☐ Monitor and review outcomes that have been achieved from the engagement
- ☐ Discuss next steps for engagement activity
- ☐ Participate directly in certain engagements with your service provider
- ☐ Ad hoc monitoring and review of engagement processes.
- ☒ Other, specify

The Fund provides data on its holdings, responds to requests for feedback and shares its priorities for engagement with the Local Authority Pension Fund Forum.

☐ No

LEA 08	Mandatory	Public	Core Assessed	PRI 2,6
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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

The Fund receives quarterly reports on RI activity which include details and examples of initiatives and collaborations LPP is participating in on behalf of clients.

- ☐ None of the above

General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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

LEA 09.2 Additional information. [Optional]

Where the Fund or LPP receive insight through collaborative engagement or service provider engagement which it is appropriate to share with other managers this happens on an adhoc basis. In particular, examples of best practice or opportunities to join initiatives are promoted to others in order to maximise the support they receive and increase the impetus and impact they can achieve.

LEA 10	Mandatory	Public	Gateway	PRI 2
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LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input 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 checked="" type="radio"/> We do not track
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 checked="" type="radio"/> We do not track and cannot estimate our engagements
Service provider 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 checked="" type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

The Fund does not track the number of engagements it participates in through the actions of its service providers in a systematic way.

It does receive quarterly reports from the Local Authority Pension Fund Forum on the engagement activity undertaken on behalf of member funds and, on an annual basis, external managers are asked by LPP for information on their stewardship activity which contains summary data on the incidence of engagement activity. However, this is not in a standard format which would support collation or an estimation of the quantum of coverage at this point.

Outputs and outcomes

LEA 12 (Flagged)	Voluntary	Public	Additional Assessed	PRI 2
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LEA 12.1

Indicate which of the following your engagement involved.

☒ Letters to outline the engagement and the objectives

- ☒ In some cases
- ☐ In majority cases
- ☐ In all cases

☒ Meetings and/or calls with the appropriate team

- ☒ In some cases
- ☐ In majority cases
- ☐ In all cases

☐ Visits to operations☒ Roadshows

- ☒ In some cases
- ☐ In majority cases
- ☐ In all cases

☒ ESG research

- ☒ In some cases
- ☐ In majority cases
- ☐ In all cases

☐ Other, specify**LEA 14****Voluntary****Public****Descriptive****PRI 2****LEA 14.1**

Indicate whether you track the number of cases during the reporting year where a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- ☐ Yes
- ☒ No

LEA 15**Voluntary****Public****Descriptive****PRI 2****LEA 15.1**

Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	Environment - sustainability
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Encourage companies to set out their strategic approach to global climate and energy challenges
Scope and Process	Working within a wider collaboration (Aiming for A) to co-file strategic resilience resolutions at the AGMs of major oil producers
Outcomes	Company engagement and some company commitments to change their strategy analyses and reporting to account for a two degree scenario

☒ Add Example 2

Topic or ESG issue	Social - Employee rights
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Address serious shortcomings in measures to protect labour rights in the workplace
Scope and Process	Support a resolution calling for independent human capital management assessment
Outcomes	Further engagement with the company to encourage improvement

☒ Add Example 3

Topic or ESG issue	Governance - Board Diversity
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Encourage companies to step up their efforts to achieve the aim of women holding one third of FTSE 350 board positions by 2020.
Scope and Process	Letter to the Financial Times representing a group of UK asset owners, re-emphasising the importance of efforts to increase diversity through appointment processes routinely accessing a wider pool of talent.
Outcomes	Letter published and a subsequent response published from Hampton-Alexander Review reiterating the importance of efforts by companies on this critical governance issue.

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

Communication

LEA 16	Mandatory	Public	Core Assessed	PRI 2,6
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LEA 16.1 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.