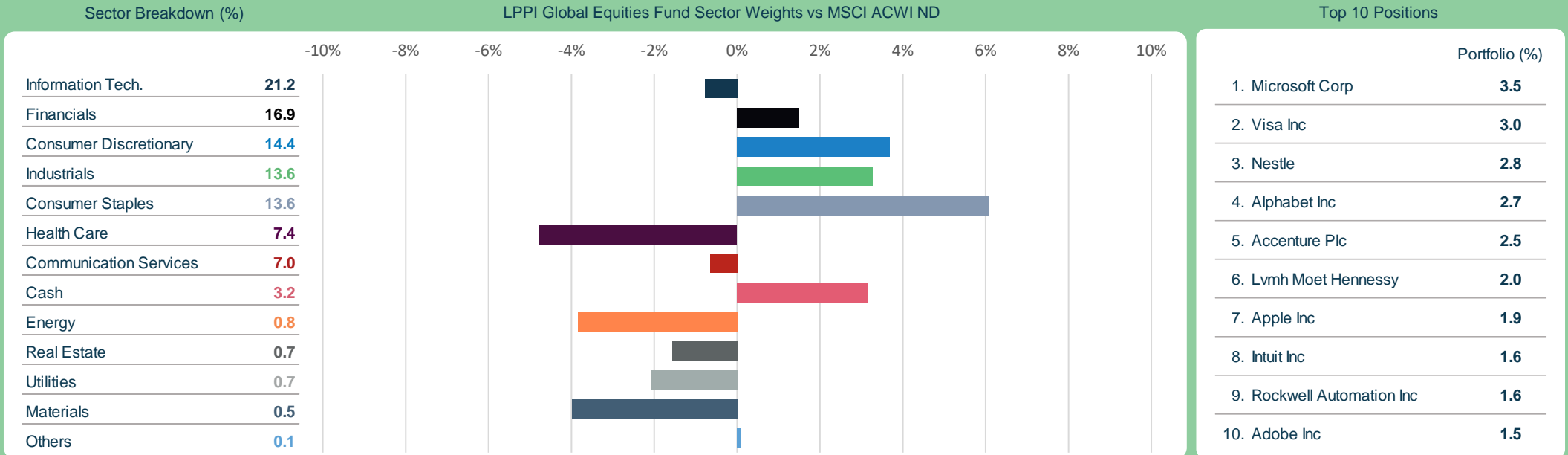


# Responsible Investment Dashboard Q2 2023

## 1. Portfolio Insights

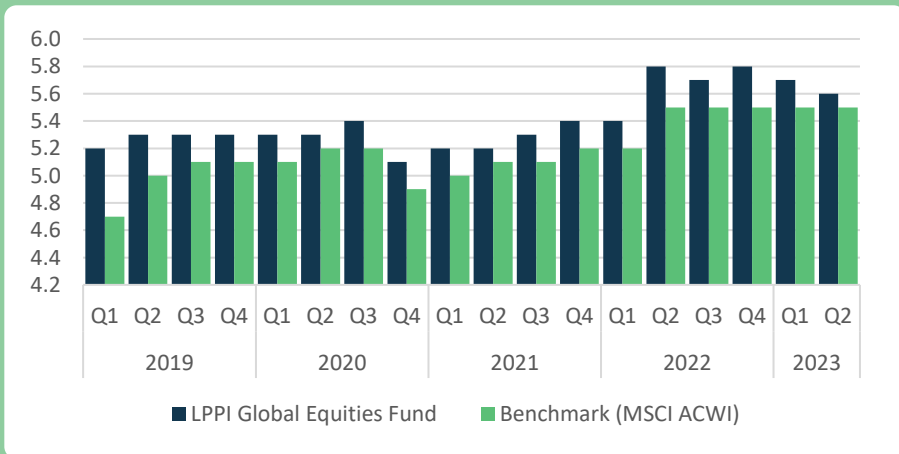
### Listed Equities (LPPI Global Equities Fund)



### Governance Insights (ISS DataDesk)



### Portfolio ESG Score (MSCI ESG Metrics)



### Transition Pathway Initiative – Management Quality Headlines



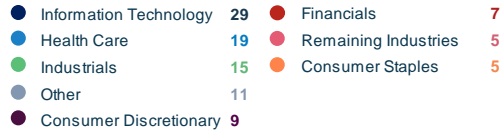
# Responsible Investment Dashboard Q2 2023

## 1. Portfolio Insights

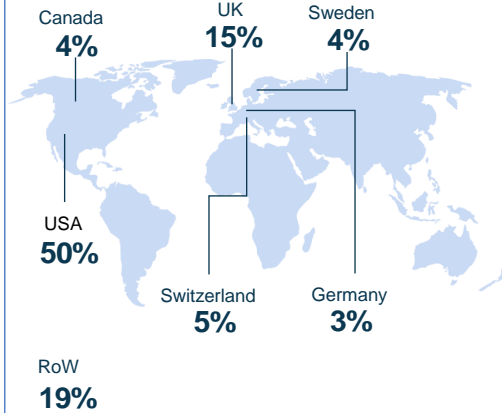
### Other asset classes

#### Private Equity

##### Industry Breakdown (%)

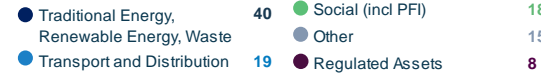
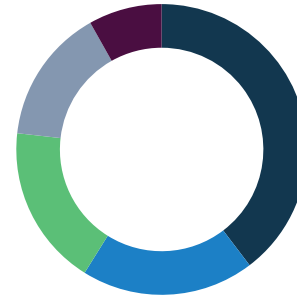


##### Region Breakdown (%)

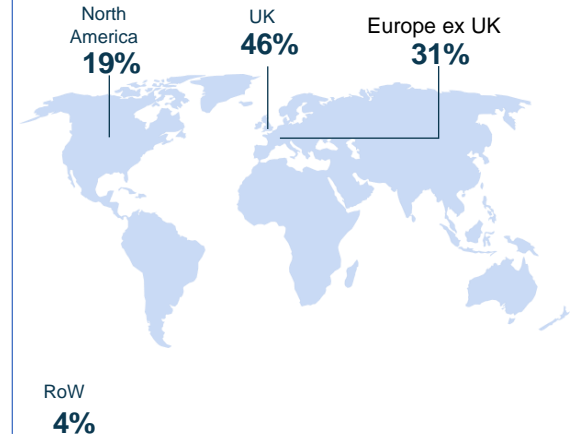


#### Infrastructure (LPPI Global Infrastructure Fund)

##### Industry Breakdown (%)

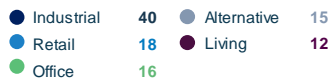
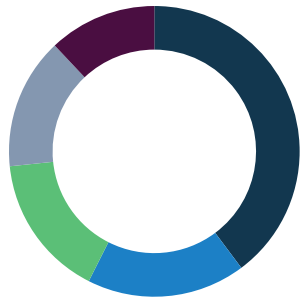


##### Region Breakdown (%)

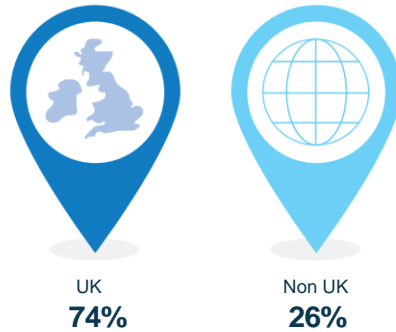


#### Real Estate (LPPI Real Estate Fund)

##### Sector Breakdown (%)



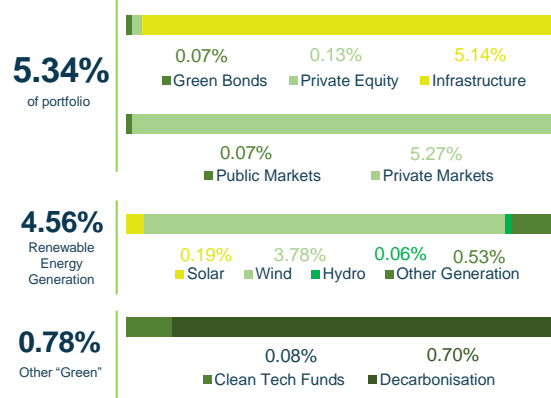
##### Geographical Exposure (NAV %)



#### Green & Brown Exposure

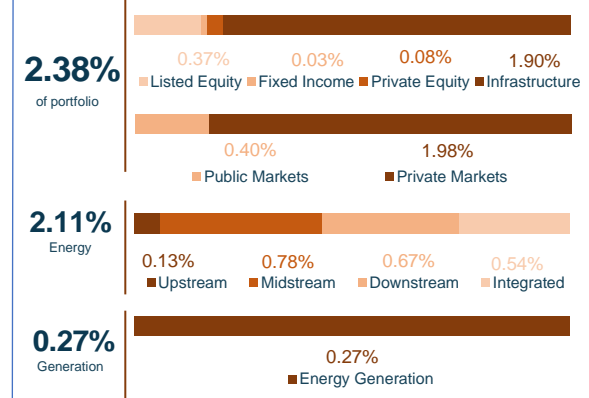
##### Green

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

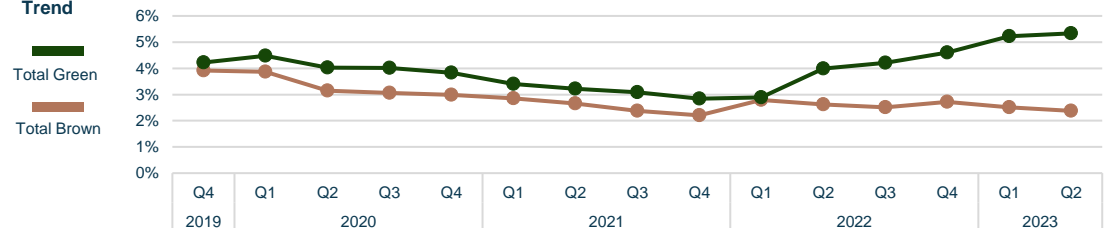


##### Brown

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



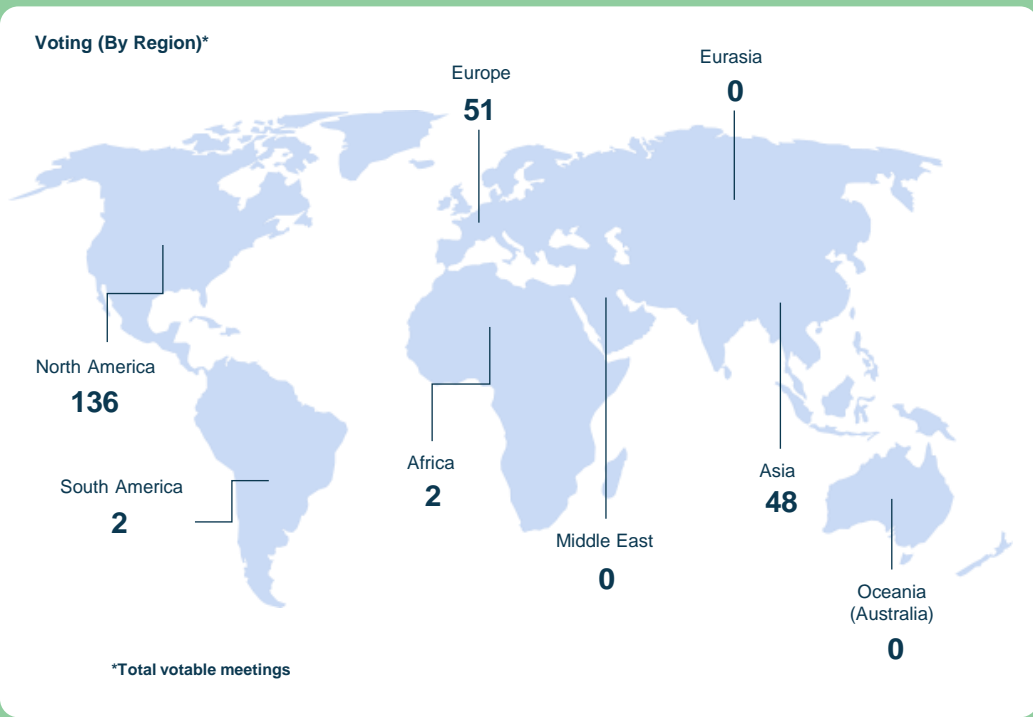
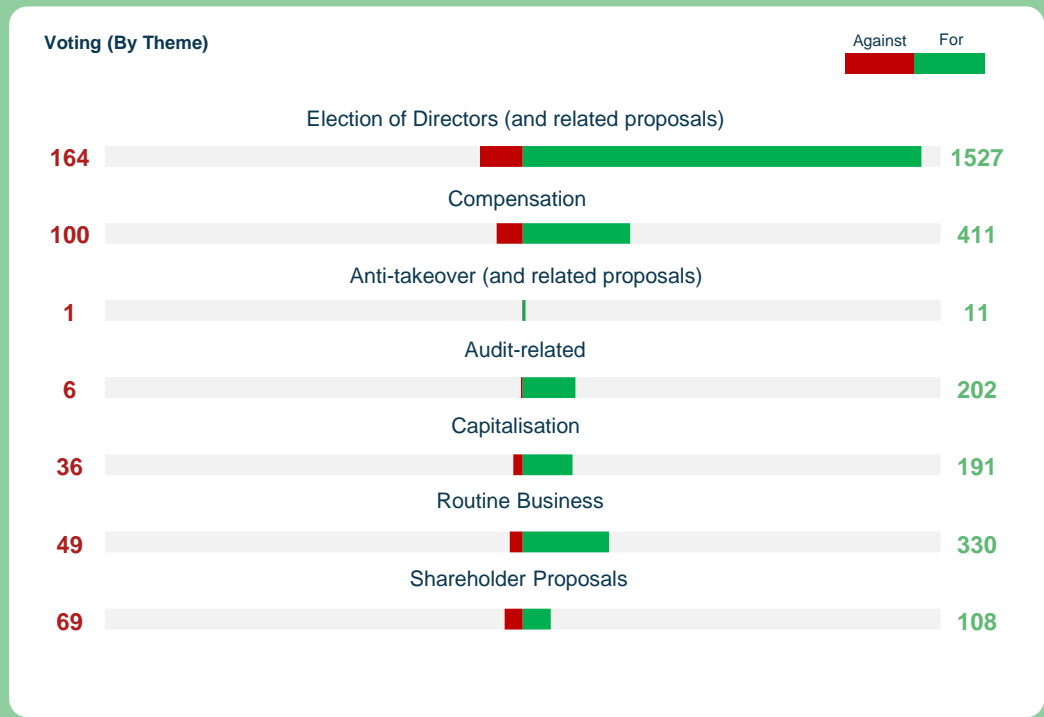
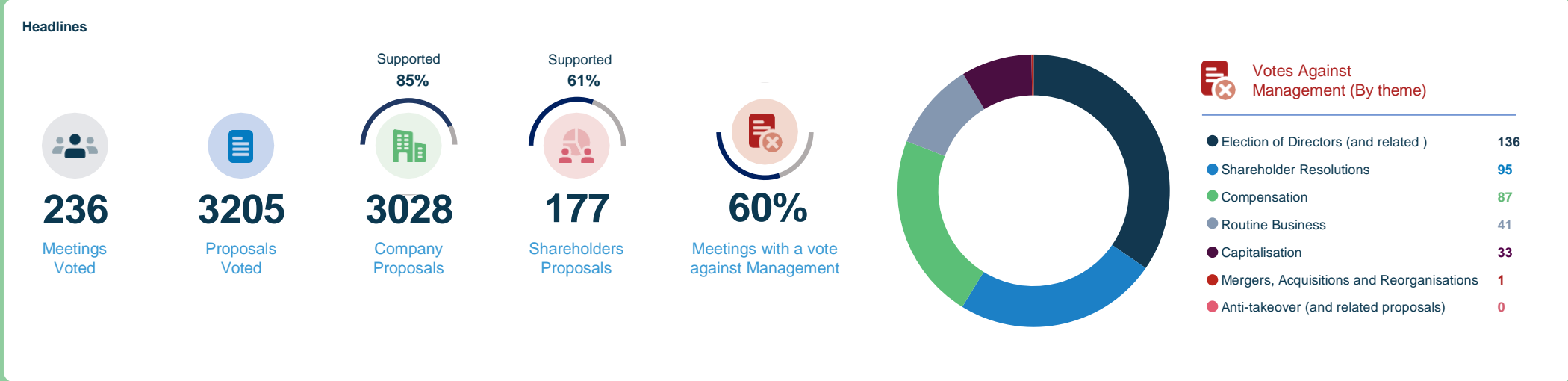
##### Trend



## 2. Stewardship Headlines

### Shareholder Voting

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



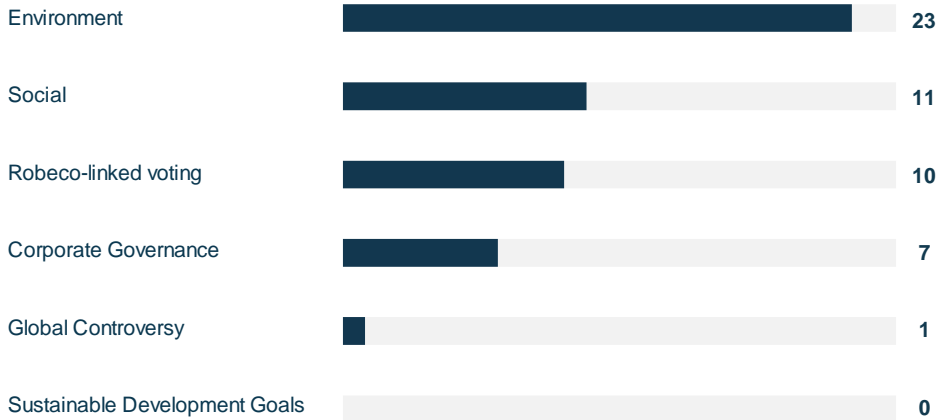
# Responsible Investment Dashboard Q2 2023

## 2. Stewardship Headlines

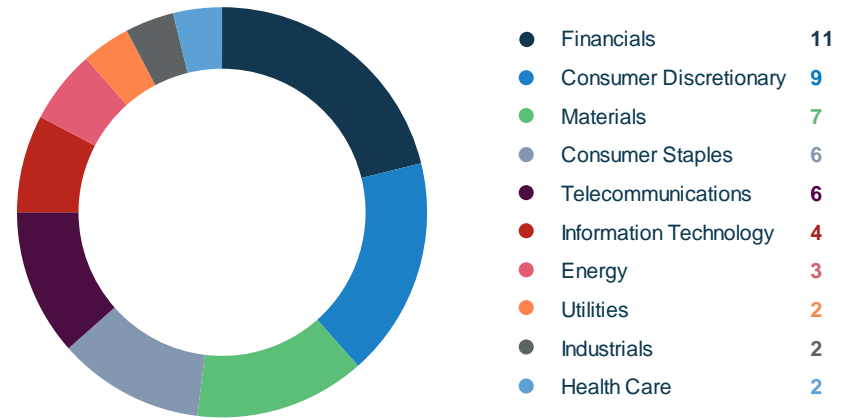
Engagement (Public Markets): Robeco

The following data is specifically related to the companies in LPPI's portfolio and the engagements Robeco undertake on our behalf.

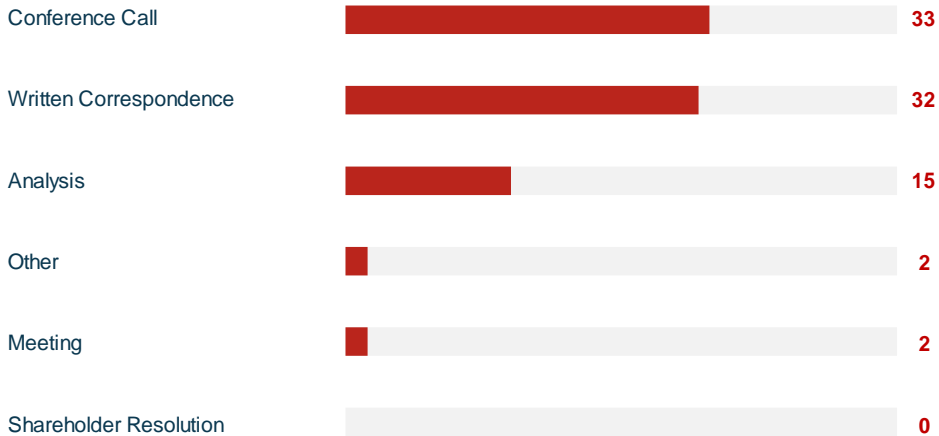
### Activity (By Topic)



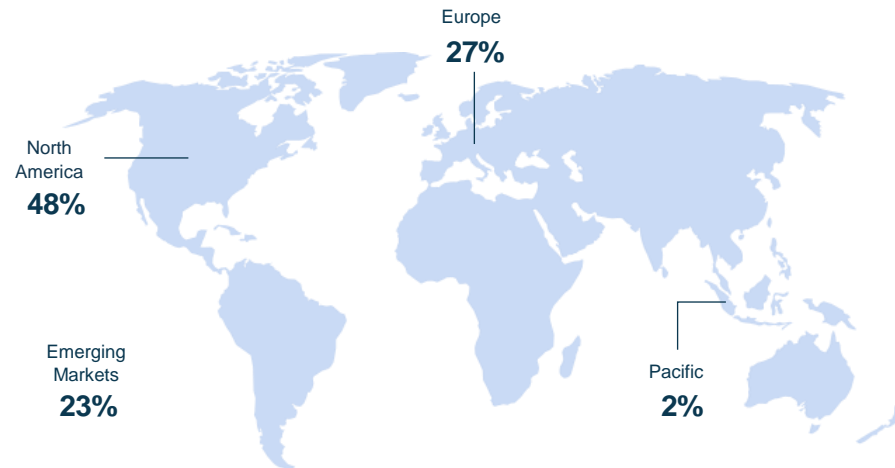
### Activity (By Sector)



### Activity (By Method)



### Activity (By Region) (%)



Source: Robeco Active Ownership Report Q2 2023

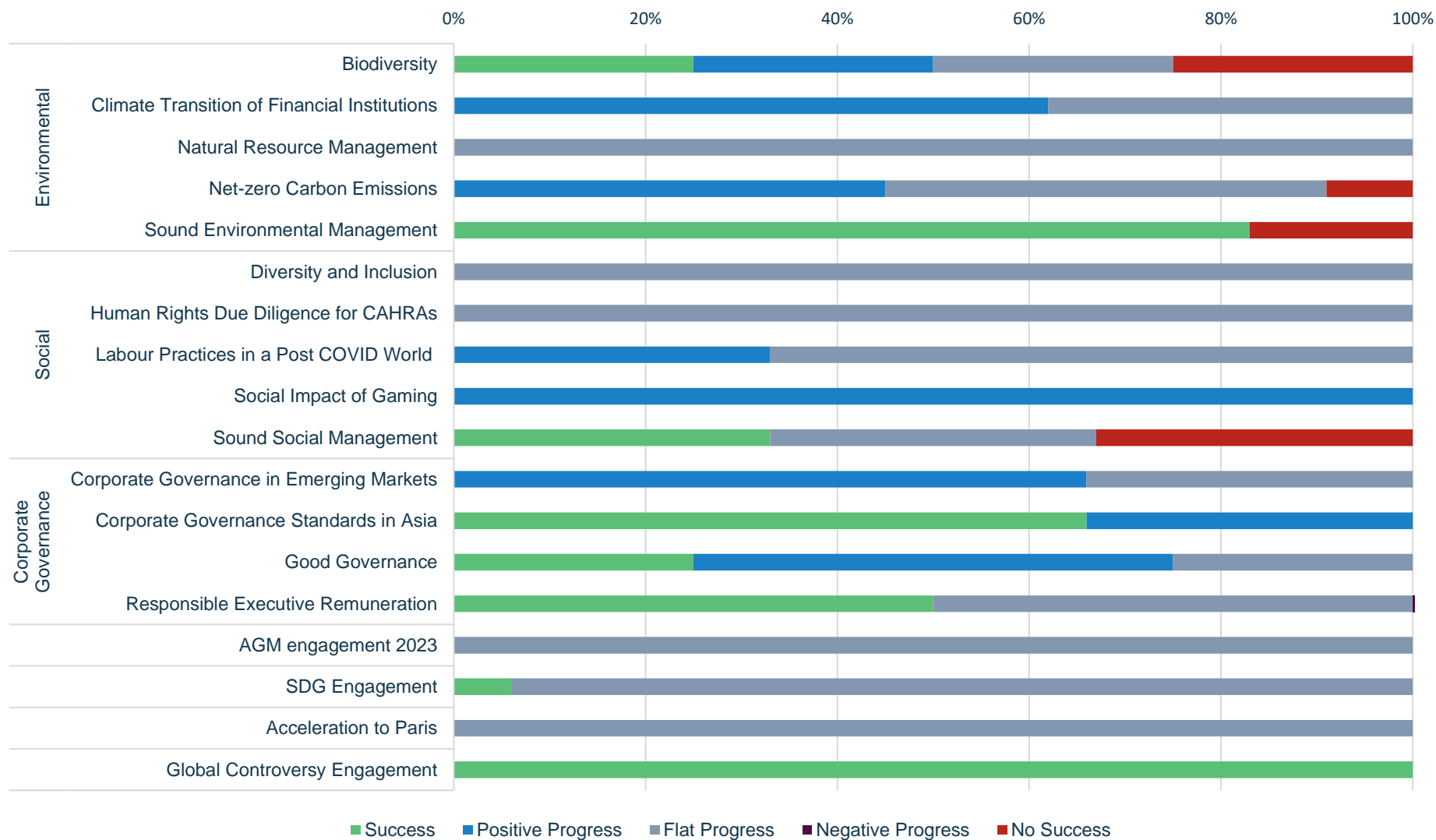
# Responsible Investment Dashboard Q2 2023

## 2. Stewardship Headlines

Engagement (Public Markets): Robeco

The following data is specifically related to the companies in LPPI's portfolio and the engagements Robeco undertake on our behalf.

Engagement Results (by Theme)



Source: Robeco Active Ownership Report Q2 2023

### Direct investments

Direct Real Estate holdings in the UK

## EDGE / LONDON BRIDGE

### Edge London Bridge - 0.6% of the Real Estate IPV

Edge London Bridge, is a 27 floor, 260,00 sqft best-in-class, mid-rise office tower development designed to be operationally net-zero.



During construction  
54% lower carbon



Adjacent landscaped  
public park



Powered by hydrogenated  
vegetable oil

- The innovative development has been designed with sustainability and will achieve an **EPC 'A'**.
- The construction tried to reduce the lifetime carbon and achieved c. **54% lower embodied carbon** v similar new constructions.
- The development is targeting **BREEAM 'Outstanding'**, the highest possible BREEAM rating, reflecting the exemplary design.
- Further to this it is also targeting 'WELL', 'WiredScore' and 'SMARTscore' scores of **'Platinum'**.
- With a focus on health and wellbeing **a new landscaped public park will be created adjacent to the building**
- **Underfloor air supply** in combination with **natural ventilation** will provide **optimal air quality**, which, together with natural light from the floor-to-ceiling windows and radiant cooling, will provide a **healthy environment for the building's users**.
- The site is **powered by hydrogenated vegetable oil**.
- The project is currently under construction and is aiming to be **complete in early 2026**.

### Examples of investments in Real Estate Funds

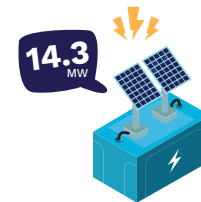


#### Goodman Australia Industrial Partnership – 4.4% of the Real Estate IPV

Goodman Australia Industrial Partnership (GAIP) provides exposure to predominantly industrial assets, in addition to a smaller number of office/business parks across Australia.



180,000 kg of green waste has been recycled



14.3MW of photovoltaic power generated



Providing safe places for children and young people at risk

- GAIP achieved a **78 (out of 100)** in their most recent GRESB assessment for standing investments and **86 for their development assets**.
- GAIP have been working with their landscaping contractors to **improve recycling of on-site green waste**, and since the commencement of the program in November 2022 over **180,000 kg of green waste has been recycled** (as at March 2023). **This is equivalent to 293 tonnes CO2**.
- The partnership generates **14.3MW of photovoltaic power**, with a further **3.8MW contracted for installation and delivery** over the coming months.
- Goodman is a long-term partner of Stepping Stone House, an organisation dedicated to providing **safe places for children and young people at risk of, or experiencing, homelessness**.
- 100% of the portfolio has water tanks for **rainwater capture and smart irrigation, saving 53% of water** used for irrigation purposes.

### Examples of investments in Real Estate Funds



TISHMAN SPEYER

#### Tishman Speyer European Core Fund - 1.1% of the Real Estate IPV

Tishman Speyer European Core Fund (TSEC) is a sector agnostic fund, but predominantly invested in office assets in Europe (Inc UK).



7 out of the 8 assets hold a sustainability certification



Connecting with community groups and locals



Community-impact linked financial support

- The fund achieved a score of **89 points in their most recent GRESB assessment ranking** in the top 10% of core European open-ended non-listed funds (c. 400), earning them a **5\* rating for the third consecutive year in a row**.
- **7 out of the 8 assets within the TSEC portfolio hold a recognised sustainability certification**, with the 8th and final asset set to achieve a certification of its own once it has been refurbished/ redeveloped.
- One of TSEC's assets based in Paddington, 'The Point', collaborated with the Paddington Partnership, a voluntary group of the main developers and companies in the Paddington area, **working to establish a community engagement program to connect with community groups and address local needs**.
- Delivered **100% supply of renewable energy** for landlord supplied energy.
- Tishman Speyer has provided **community-impact linked financial support at 50% of their properties since 2021**, with donations now totalling **€267,000 since 2021**. The most recent saw a €100,000 donation to 'Give something back to Berlin' an association that connects migrants, refugees, and locals to engage in building an open and inclusive society.
- TSEC has elected to become an **Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR)** indicating their intent to promote environmental or social characteristics as part of their fund strategy, as well as bolstering their disclosure requirements.



### Portfolio Insights (Pages 1 - 2)

#### Sector Breakdown (%)

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

#### GEF Sector Weights

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

#### Top 10 Positions

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

#### Governance Insights

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

#### Portfolio ESG Score

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

### Portfolio Insights (Pages 1 - 2)

#### Transition Pathway Initiative (TPI) Headlines

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

#### Private Market Asset Classes

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

#### Green & Brown

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

#### Green

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

#### Brown

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

### Stewardship Headlines (Pages 3 - 5)

#### Shareholding Voting

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

#### Engagement (Public Markets)

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

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

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

This document has been produced by Local Pensions Partnership Investments Ltd (LPPI) solely for the internal use of the intended recipient(s) and subject to the terms and conditions of this disclaimer. LPPI is authorised and regulated by the Financial Conduct Authority. All information in this document, including valuation information, contained herein is proprietary and/or confidential to the intended recipient(s). The purpose of this document is to provide fund and performance analysis for the above-named client only. It does not provide advice and should not be relied upon by any person for any purpose including (but not limited to) investment decisions. Market and exchange rate movements can cause the value of an investment to fall as well as rise. Past performance is not an indicator of future performance. The contents of this report have been compiled from sources believed to be reliable, including from third party data sources. No member of the LPP Group, nor any of their respective directors, officers and employees, accept any liability for the content of this document, and no representation or warranty is made or can be implied as to the appropriateness, accuracy or completeness of the information provided. Copyright: Local Pensions Partnership Investments Ltd 2023