



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> To engage internal ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> To engage internal ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>		

RI TRANSPARENCY REPORT

2017

The Scott Trust Limited (Guardian Media Group)

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 2017 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	✓	Public							✓
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		✓	Private							✓
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	✓	Private							✓
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	🔒	n/a							✓
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	✓	Private							✓
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	✓	Public		✓					
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	✓	-							

The Scott Trust Limited (Guardian Media Group)

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

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 01.2

Additional information. [Optional]

The Scott Trust Limited is the owner of the Guardian Media Group plc ("GMG"). It was created in 1936 to safeguard the journalistic integrity and liberal values of the Guardian. The sole purpose of the Scott Trust and its endowment is to secure the financial and editorial independence of the Guardian in perpetuity.

GMG is one of the UK's leading media organisations. Our core business is Guardian News & Media (GNM), publisher of theguardian.com and the Guardian and Observer newspapers.

OO 02

Mandatory

Public

Peering

General

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

1553

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
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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			786	000	000
Currency	GBP				
Assets in USD		1	000	739	519

OO 04.4 Additional information. [Optional]

These assets comprise medium term and long term investment funds invested through external managers.

OO 06	Mandatory	Public	Descriptive	General
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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	0	10-50%
Fixed income	0	10-50%
Private equity	0	<10%
Property	0	0

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

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Externally managed	SSA	46.32
	Corporate (financial)	28.22
	Corporate (non-financial)	23.42
	Securitised	2.04
	Total	100%

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 %
[b] Fixed income - SSA	<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 %
[c] Fixed income – Corporate (financial)	<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 %
[d] Fixed income – Corporate (non-financial)	<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 %
[e] Fixed income – Securitised	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input 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 %
[i] Commodities	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[j] Hedge funds	<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 %
[n] Cash	<input type="radio"/> 0% <input checked="" type="radio"/> <10%	<input checked="" type="radio"/> 0% <input type="radio"/> <10%

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

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 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

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)

- Fixed income - SSA
- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Fixed income - securitised
- Private equity
- Commodities
- Hedge funds
- Cash
- None of the above

The Scott Trust Limited (Guardian Media Group)

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 checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" 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)

GMG has announced its intention to divest from fossil fuels over the medium term and to invest proactively in strategies which are aimed at supporting the possibility of a lower carbon future. We also focus on ESG integration, sustainability and responsible active ownership by investment managers.

- 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 values of GMG itself have been key in developing an RI policy that reflects these principles. Additionally, our investment consultant advises on 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.

The majority of assets are held in a long term fund, with long term defined as a minimum of ten years. This aims to earn a specific real return over this period. It also aims to generate a return in excess of a customized benchmark reflecting the strategic asset allocation. A smaller medium term fund is invested in more liquid assets with a shorter time horizon.

- The strategic asset allocation should reflect an appropriate balance of GMG's investment objectives, risk tolerance and need for liquidity.
- GMG believes that long-term sustainable returns are dependent on stable, well-functioning and well governed social, environmental and economic systems, and as such ESG considerations are fully

integrated in the investment approach, in addition to the specific decision to divest from fossil fuels over the medium term.

No

SG 01.6

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Investment Policy Statement ("IPS"): this is the key investment policy document covering investment policy and specifically details Responsible Investment Policy.

Statement of Investment Principles ("SIP"): this document further guides our approach to responsible investing and is shared with all of our external investment managers. This was updated significantly in 2015 following two major responsible investment initiatives by GMG:

1. Becoming a Signatory of the UN PRI.
2. Making the decision to divest from fossil fuels over the medium term.

Additional information on these key policy elements is given below:

Investment Policy Statement ("IPS")

This details GMG's overall investment policy, including Responsible Investing. This is a strategic document setting out the framework for all aspects of investment policy including responsible investment. This states that GMG is aware of the wider responsibilities of business and believes that companies should seek to act in an ethical manner. GMG recognises the financial materiality of Environmental, Social and Governance (ESG) issues for companies and the market.

The IPS states that GMG's Investment Committee has the responsibility to oversee our initiatives with respect to socially responsible investing and monitor our progress as a signatory to the Principles for Responsible Investment. They will review annually the progress made in respect of ESG integration and implementation of responsible investing, as reflected in the annual RI Transparency and Assessment Report

The IPS further states that GMG will make a special effort to include socially responsible, sustainable, and/or responsible investment strategies (collectively "SRI" strategies) that are more consistent with the organization's principles. The Investment Committee will seek to include SRI managers in manager searches when institutional quality options are known and available. We will favour such managers assuming they demonstrate reasonably comparable investment characteristics (i.e., competitive performance, fees, team stability, etc.) relative to their non-SRI peers. However, the Investment Committee will not restrict itself solely to SRI options since A) such options may not be available in all asset classes of interest to the portfolio and/or B) available options may be notably less compelling relative to non-SRI alternatives. In addition, best efforts will be made to participate in active ownership strategies, such as shareholder engagement initiatives, within the equity portfolio.

Statement of Investment Principles ("SIP")

This was adopted in 2008 and is updated on an ongoing basis. This guides GMG's overall approach to responsible investing and is shared with all investment managers on appointment to ensure alignment of the investment portfolio with the sustainability focus. We encourage all of the underlying managers in the fund to be mindful of their reporting of ESG and to collaborate with us where possible to improve the level and quality of disclosure.

The SIP states that the companies in which the fund invests should seek to act and behave in an ethical and responsible manner and follow similar values to those of the Group itself. GMG believes long term sustainability must be at the heart of the investment approach in order to be consistent with the Group's values, create long-term returns and meet the expectations of our readers.

As a consequence, while taking due regard of the fund's primary duty of generating strong risk adjusted-returns, GMG believes that working to incorporate environmental, social and governance issues into investment analysis and

decision-making processes is important. GMG also believes that the incorporation of these issues in analysis may positively impact financial returns over the long term.

The SIP was also updated in 2015 to reflect GMG becoming a PRI signatory and agreeing to incorporate the six core principles of the PRI into its investment analysis and decision-making processes. GMG believes that application of the principles improves alignment of the investment portfolio with its overall mission and with the broader objectives of society.

The SIP was also updated following the significant public announcement in April 2015 of GMG's intention to divest from fossil fuels over the medium term and to invest proactively in strategies which are aimed at supporting the possibility of a lower carbon future.

This decision is based on two principles - a belief this it is incumbent on us all to protect the environment for future generations; and concern that carbon reserves may become stranded as policymakers take a more proactive stance against climate change.

Application of Responsible Investment in the Portfolio

These policies are applied to the investment fund in five key pillars:

- **UN PRI** - proactively pursue commitments under UN PRI. We reported one year early, for the voluntary 2016 period after becoming a signatory, and sought feedback from UN PRI.
- **Engagement** - we will engage with our investment managers on all aspects responsible investment. We aim to improve behaviour in the investment industry, disclosure and the provision of new sustainable and responsible investment products. We are also developing a direct policy, in order to engage with portfolio companies directly. During the period, we joined both ShareAction's Charities Responsible Investment Network (CRIN) and the Institutional Investors Group on Climate Change (IIGCC). Both of these collaborative groups will be used for direct engagement. GMG also dedicated new staff resources during the period for engagement.
- **ESG integration** - we aim to invest in managers taking a proactive approach to integrating ESG in a material way in their investment process. Substantial re-allocations were made during the period to managers with a clear focus here. To emphasise this commitment, this was made a distinct new policy pillar during the period. Agreed commitments will bring the portion of the total fund judged to be particularly proactive on ESG to over a third.
- **Divestment** - our investment fund has pledged to divest from fossil fuels over the medium term
- **Proactive Investments** - we are seeking to invest in solutions to a sustainable and low carbon economy. A new commitment to a private equity fund developing renewable power generation in emerging markets

SG 02	Mandatory	Public	Core Assessed	PRI 6
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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.
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Policy setting out your overall approach

URL/Attachment

URL

URL

<https://www.theguardian.com/gmg/2015/jul/23/funding>

- Attachment (will be made public)
- Sector specific RI guidelines
- Screening / exclusions policy
- 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 investment objectives that take ESG factors/real economy influence into account
- Processes / approaches to incorporating ESG
- Time horizon of your investment
- ESG incorporation approaches
- Other RI considerations, specify (1)

The key policy decision to divest from fossil fuels was publically disclosed, along with the reasoning for this.

URL/Attachment

- URL

URL

<https://www.theguardian.com/environment/2015/apr/01/guardian-media-group-to-divest-its-800m-fund-from-fossil-fuels>

- 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

<https://www.theguardian.com/gmg/2015/jul/23/funding>

- No

SG 02.4

Additional information [Optional].

The above link to the investments part of our website contains an additional link to a copy of our Statement of Investment Principles, which sets out our overall approach and investment principles. It also explains the decision to divest and proactively invest in a lower carbon future.

SG 03	Mandatory	Public	Core Assessed	General
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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.

Our internal investment policies cover conflicts of interest and require the GMG Board, Investment Committee members and relevant staff members to disclose any real or perceived conflicts of interest that may exist in connection with their responsibilities. Individuals affected are required to abstain from decisions relating to such matters.

No

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.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 05.2 Additional information. [Optional]

GMG's Investment Committee reviews annually the progress made in respect of ESG integration and implementation of responsible investing in detail. However, beyond this formal review, more frequent reviews occur with respect to specific policy objectives, as needed, such as progress on fossil fuel divestment. For example, responsible investment objectives are an agenda item in quarterly IC meetings as well.

The Scott Trust (shareholder of GMG) also reviews the ESG progress and the GMG Board gets monthly updates on Responsible Investments (when appropriate).

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.

Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Clear communication of ESG activities to both investment staff and more widely within the organisation

Progress achieved

Improved monitoring on portfolio ESG characteristics has improved communication and transparency. Staff briefings on progress lead to communication of this work beyond the investment staff.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Engage with external managers on ESG issues, change behaviour and drive innovation

Progress achieved

We have engaged with managers with a view to **changing behaviour and driving innovation in the ESG space**. For example, during the period we

- Led an exercise which led to the creation of an innovative new emerging markets equity fund which is both explicitly fossil fuel free and integrating ESG. We acted as the anchor investor seeding this new innovation by Acadian Asset Management.
- Supported new innovative approaches to passive low carbon equity investing.
- Acted as an early investor supporting a new fossil fuel hedge fund.
- Based on manager responses to an ESG questionnaire, during the period we conducted an exercise reaching out to our managers over key issues around ESG integration, their own voting and engagement activity, and reporting on such activity.

Improved visibility on the ESG and RI characteristics of the portfolio as below helps inform this activity.

- Improved ESG incorporation into investment decision making processes
- Other, specify (1)

Implement fossil fuel divestment policy, reducing exposure to fossil fuels and add exposure to low carbon solutions

Key performance indicator

Percentage exposure to fossil fuels is closely tracked and is expected to fall over the period.

Progress achieved

Substantial reductions in fossil fuel exposure were achieved during the period in keeping with the medium term plan. **We made new fossil fuel free commitments to developed markets long only equity, emerging markets long only equity, passive global equity, private equity and hedge funds.** Our key segregated fixed income fund is already divested. Specifically in emerging markets, we seeded a new fossil fuel free equity fund integrating ESG from Acadian Asset Management.

We also made progress on the objective to invest in proactive solutions to a low carbon economy, notably a new commitment to a private real assets fund focussing on renewable power generation.

We continue to have dialogue with investment managers to change behaviour drive new product creation for sustainable investments promoting a low carbon economy. As an example, during the reporting period we gave feedback during the design phase for a new clean energy equity fund. Based on our engagement, the manager refined their clean energy investable universe and made the fossil fuel exclusion clearer and more transparent. These changes were reflected in the fund documentation prior to its launch. We also made recommendations for their voting policy. We subsequently invested in this fund after the reporting period.

Other, specify (2)

other description (2)

Proactively pursue commitments under UN PRI

Key performance indicator

Complete first report for 2015 voluntary period in 2016 and review progress

Progress achieved

GMG completed the first report one year earlier than required. We then took part in a feedback meeting with UN PRI reporting staff to better understand this first assessment and target areas for improvement.

Other, specify (3)

Financial performance of investments

- 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

Key performance indicator

In addition to fossil fuel targets above, we also aim to increase the portion of the portfolio held by managers meaningfully integrating ESG.

Progress achieved

We also gained improved insight into the ESG and RI characteristics of our portfolio. This included both manager level information (ESG and responsible investment policies etc.), and detailed analysis of the underlying holdings of our portfolio held via external managers - this latter work involved carbon emission footprinting and ESG scoring using 3rd party ESG analytical tools on all three pillars. This established a baseline for detailed monitoring of progress on ESG issues going forward.

The ESG characteristics of the portfolio has improved both at a manager and underlying level due to re-allocations to ESG focussed managers during the period. This occurred across asset classes -developed market equities, emerging market equities, hedge funds and private investments.

We also made proactive investments into clean energy investments during the period, in keeping with objectives to seek proactive investments in solutions to a sustainable and low carbon economy.

- 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

Research and join new RI initiatives

Progress achieved

Towards the end of the period we joined ShareAction's CRIN (Charities Responsible Investment Network) and Institutional Investors Group on Climate Change (IGCC). These will provide platforms for RI initiatives and engagement going forward.

- Encouraging others to join a RI initiative

Key performance indicator

Continue to use our unique journalism platform to promote various RI initiatives

Progress achieved

We continue to give exposure to key RI initiatives around ESG, fossil fuel divestment and investment transparency. Our lead role in the Panama Papers investigation was a globally recognised landmark example of the latter.

<https://www.theguardian.com/environment/series/keep-it-in-the-ground>

<https://www.theguardian.com/news/series/panama-papers>

- 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)

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - CFO**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- 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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The GMG Board and Investment Committee oversee responsible investment activity and progress, which is implemented by the CIO and investment staff.

We also utilise an investment advisor, who has dedicated resources with expertise on responsible investment, to assist the CIO and investment staff on implementation. We work with our advisor closely on responsible investment factors in the selection and monitoring of external managers and ongoing engagement with them on these factors. Our advisor draws on both internal resources for this analysis (ESG integration in the manager research process) and the use of third party ESG analytics for further implementation work (e.g. analysis of holdings such as carbon footprinting).

The Scott Trust (a shareholder of GMG) also oversees responsible investment activity.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number	
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0

SG 07.4	Additional information. [Optional]
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The investment team focus on responsible investment in addition to broader responsibilities since it is fully integrated in the investment process. Additional resources are dedicated to sustainability reporting, broad promotion of responsible investment, and engagement.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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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.
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Select all that apply

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- 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)

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]

We joined this exciting initiative during the period.

- 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
- 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
Charities Responsible Investment Network (ShareAction)

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]

Through our parent, the Scott Trust, we joined this initiative.

- 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

specify description

Broad advocate of responsible investment in public debate in the media as per below.

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]

As a high profile media organisation and publisher of The Guardian newspaper and website, GMG has been a high profile advocate of responsible investment. GMG has used its platform to promote support for the fossil fuel divestment movement and to influence behaviour of other asset owners, investment managers and companies. We have published numerous articles promoting responsible investment.

Our own decision to divest from fossil fuels is in keeping with the aim to promote responsible investment and also reflects our broader values. At the time of making the decision to divest from fossil fuels, GMG's fund was the largest known fund to publically state its intention to divest, and we have continued to use our media platform to promote climate change awareness in responsible investment and the importance of actions to curb fossil fuel use. For example, the Guardian's "Keep it in the Ground" campaign, in partnership with 350.org, has publically urged the world's two biggest charitable funds to move their money out of fossil fuels, and has created an online platform for promoting awareness of climate change and clean energy in investment policy:

<https://www.theguardian.com/environment/series/keep-it-in-the-ground>

During the period, a very notable example of promotion of responsible investment was our lead role in the "Panama Papers" exposé, exposing certain practices and calling for greater transparency and fairness in global finance and investment. This had a global reach and lead to numerous policy responses from policy makers.

<https://www.theguardian.com/news/series/panama-papers>

We also led some campaigns around business ethics in relation to treatment of workers in public companies - for example focussing on zero hours contracts in UK labour markets, misuse of self-employment and gender equality issues in large US technology companies.

<https://www.theguardian.com/uk-news/series/the-new-world-of-work>

More broadly, The Guardian and Observer employ a number of highly-experienced journalists dedicated to reporting on the environment, sustainability and good business in the UK and internationally. Comment is Free - a comment and political opinion site within the guardian.com - also regularly commissions authored pieces from leading commentators, academics, politicians, opinion formers and influential stakeholders, to further discuss and debate issues germane to the environment, sustainability and good business. In addition, the Guardian Professional Networks - a collection of community sites that bring professionals together to share ideas - include the global development network and the sustainable business network, covering the social and environmental impacts of business and providing a space for NGOs, aid workers and development professionals to share knowledge and expertise.

As a large asset owner aiming to take a proactive stance on sustainable investing we also aim to change the mind-set and behaviour of investment managers and promote a responsible investment agenda more generally. Some examples of this during the reporting period are given below:

- We were an early investor backing a new fossil fuel free product from a major US hedge fund.
- We worked with a European manager to design a customised global passive equity product removing exposure to fossil fuels and reducing overall carbon emissions by 50%.
- We backed a private equity fund launch developing renewable power generation assets in emerging markets.
- We encouraged great transparency on engagement, voting and responsible investment activities in an engagement outreach exercise with our managers. We requested voting reports for review from all our long only equity managers, obtaining voting information for the period from all but one equity manager.
- We re-allocated active equity positions towards managers meaningfully integrating ESG and pursuing responsible investment activities, making clear these were key factors in the selection and diligence process, and encouraging maximum transparency from the chosen manager on their approach to ESG.
- We acted as the seed investor for a new fossil fuel free emerging markets equity fund launched by Acadian Asset Management. The fund was set up as a pooled UCITS fund to encourage other investors.
- Our feedback during the reporting period drove revisions to the sustainable investment policy for a new clean energy equity fund launch. These were formally reflected in fund documents (we subsequently invested in the fund after the period end).

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.
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- Yes
- Yes, individually
 - Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- 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.
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- 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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Dialogue with public policy makers occurs at both a corporate and journalist level in our organisation.

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
 - Allocation between asset classes
 - Determining fixed income duration
 - Allocation of assets between geographic markets
 - Sector weightings
 - Other, specify

Avoiding exposure to fossil fuels is an overriding consideration in all new asset allocation decisions
- 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
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- 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

	other description
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Our various campaigns have publicly urged fossil fuel divestment and highlighted investment opportunities in areas such as solar power.

None of the above

SG 13.3	Indicate which of the following tools you use to manage emissions risks and opportunities
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- 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

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

SG 13.5	Additional information [Optional]
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During the period we conducted analysis monitoring both fossil fuel exposure and examining the carbon footprint of underlying holdings held via external managers, to track divestment progress and better understand emissions risk in the portfolio. We made considerable progress improving these metrics across asset classes.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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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.
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Yes

SG 14.2	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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Clean technology (including renewable energy)

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds

Brief description and measures of investment

During the period we committed to a private real assets fund investing in renewable power generation. We also undertook diligence on a new public equity clean energy strategy. An investment was made after period end to anchor the new fund.

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds

Brief description and measures of investment

Key global equity investments integrating ESG and focussing on sustainable business models have as a result substantial allocations to the global health sector, where health provision is regarded as a core long term theme. These allocations are therefore well above any comparative benchmarks.

- Water
- Other area, specify

Dual social and environmental sustainable equities investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds

Brief description and measures of investment

Allocations within both developed and emerging market equities are made to managers fully integrating environmental and social sustainability research in the core of their investment process. Such allocations were increased during the period by selecting new managers with such proactive ESG integration.

No

SG 16	Mandatory	Public	Descriptive	General
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.			

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	See below, section SG 16.2 The ESG attributes of investments are key as we build out the Private portfolio and we conduct ESG analysis on all new potential private investments. This is a key asset class where we can find proactive investments for a low carbon economy. For example, during the period we selected a fund that invests in the construction of new renewable power assets.
Commodities	See below, section SG 16.2
Hedge funds	See below, section SG 16.2 During the reporting period we had further dialogue with our hedge fund managers about creating separate fossil fuel free share classes.

SG 16.2 Additional information.

The degree of integration of ESG in the investment process of all our external managers is assessed as a key part of the manager selection and monitoring process. This includes in assets classes where we have smaller exposure. Given our policy to divest from fossil fuels over the medium term, such exposure is carefully monitored in these asset classes. It is also a key factor in the selection of new investments, as are broader ESG attributes, which are monitored both at fund level (e.g. voting polices) and by analysis of underlying investments.

We also inform all of our managers of our stance on ESG issues and what we expect as investors in their products.

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.

Yes

SG 17.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

We have been an early and significant adopter of a policy of fossil fuel divestment in a sophisticated and diversified portfolio. We also aim to go beyond exclusion and to invest proactively in strategies which support the possibility of a lower carbon future whilst not compromising investment returns.

This ongoing work is considering innovative low-carbon, resource efficiency and sustainable investment strategies across asset classes.

Notably, we have been instrumental working with managers to create new products here. Backing new behaviours and products early can catalytic for responsible investment generally - for example having acted as the founding client for Acadian's new fossil fuel approach to emerging market equities, at the time of writing the strategy has attracted assets multiple times our original investment.

No

The Scott Trust Limited (Guardian Media Group)

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

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

SAM 01.2

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

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

Asset class

- Listed Equity (LE)
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

We use investment consultants in our monitoring of external managers

Asset class

- Listed Equity (LE)
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

SAM 01.3

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

- Responsible investment is incorporated in the selection process for investment consultants
- Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them.
- Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring.
- We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

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

No, we do not use investment consultants or fiduciary managers.

SAM 02

Mandatory

Public

Gateway

PRI 1

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

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - SSA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (financial)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (non-financial)	<input checked="" type="checkbox"/>	<input 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.

GMG believes that incorporation of environmental, social and governance issues in analysis may positively impact investment returns over the long term. It is also compatible with our own beliefs. Their own responsible investment policies (e.g. on active equity ownership) are also important. Therefore, the degree to which external managers have integrated such considerations into their process is a fundamental part of our selection, and monitoring processes across all asset classes.

Furthermore, given our stated policy to both divest from fossil fuels over the medium term and invest proactively in strategies which are aimed at supporting the possibility of a lower carbon future, the entire portfolio is being assessed on these terms. Particular emphasis is placed on seeking managers who can demonstrate a strong understanding of both the threats and opportunities presented by a transition to a low carbon economy.

In order to monitor our progress on this stated policy, we are collecting data on fossil fuel exposure twice a year from our external managers as well as looking at this factor in all new potential managers. We have used this information to create objectives for reduction in our fossil fuel exposure over time and make manager selection decisions to meet both of these objectives and the primary duty of generating strong risk-adjusted returns.

Beyond fossil fuel exposure, we analyse managers through integration of ESG considerations in manager research and the collection of fund level data on responsible investment attributes (e.g. ESG integration policies, voting and engagement, investment exclusions, the ability to accommodate responsible investment demands in separate accounts). We also conduct analysis of underlying holdings of our managers. This latter work has included carbon footprinting of our portfolio and ESG scoring of the underlying holdings using third party ESG analytical tools.

Listed Equity and Fixed Income Strategies

SAM 04**Mandatory****Public****Gateway****PRI 1,2****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	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

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

SAM 04.2 Explain how you integrate ESG factors in the selection, appointment and monitoring of your passive funds

During the period we approved a switch of our passive equity allocation from a pooled fund tracking a standard global index to a customized separate account. A screen results in zero exposure to fossil fuels. In addition the custom index integrates a proactive low carbon approach to remaining investments, aiming for 50% carbon emission reductions versus the standard index whilst closely controlling tracking error. The aim is to substantially reduce embedded emissions risk in the portfolio while producing returns close to standard global index.

SAM 04.3 Additional information. [Optional]

Regarding SAM 04.1, all assets over the medium term will screen out fossil fuel exposure and new investments are made with this condition. Screening is therefore a policy being implemented over time rather than a current requirement.

Selection

SAM 05	Mandatory	Public	Core Assessed	PRI 1
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SAM 05.1

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

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG reporting requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

1. Fossil fuel exposure of external manager strategies and the ability to successfully invest fossil fuel free portfolios going forward are key factors when reviewing selection documentation. For example, documentation may show if excluding such investments comes from explicit (negative) screens or are a consequence of the overall ESG approach leading to sustainable investments. Managers also need to be able to report on this exposure on an ongoing basis.
2. Though our investment consultant, we also study detailed ESG DDQ responses from managers. Operational and investment due diligence documentation from our consultant also provides key RI-related information.

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	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)				
Assess the time horizon of the investment manager's investment strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the ownership of the ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Process/portfolio construction/investment valuation

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

We make use of our consultants due diligence process. This would involve site visits, manager meetings, ESG analysis and DDQ, documentation reviews, reference calls, and operational and business risk reviews in addition to investment due diligence.

SAM 05.4

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

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
ESG score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

Compliance with our fossil fuel divestment policy is set as a key condition of selection of all new external managers so their exact position is assessed. We may also use third party ESG analytics to analyse/score ESG attributes.

SAM 06

Mandatory

Public

Additional Assessed

PRI 2

SAM 06.1

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

Engagement

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

(Proxy) voting

	LE
Review the manager's voting ability within different ownership rights	<input checked="" 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 type="checkbox"/>
None of the above	<input type="checkbox"/>

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
- 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

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

- Standard benchmark, specify
- ESG benchmark, specify
Customized low carbon and fossil fuel free benchmark

Objectives

- Voting, specify
- Engagement, specify
- Integration, specify

During the period we agreed to move our passive equity into a separately managed account designed specifically for our own ESG requirements, which are specified in the investment management agreement contract. As well as excluding all exposure to fossil fuels, the bespoke benchmark targets a 50% carbon emissions reduction whilst limiting tracking error to the broader standard global benchmark.

- 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

SAM 07.3 Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process

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

SAM 07.5	Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]
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The majority of listed equity investments are held in pooled funds, where the assessment of ESG and responsible investment is made at the selection (and later monitoring) stage, with appointment documentation more necessarily based on the standard terms of the pooled fund.

However, during the reporting period we agreed to move our large passive equity component to a customised separately managed account with the agreed ESG integration (low carbon methodology, ex fossil fuels and related reporting) a key part of the appointment. This section (SAM 7) applies to this appointment decision.

We would typically take this step in listed equities in the majority of cases where the structure of the product allows – e.g. in all separately managed accounts, where ESG customisation to meet our objectives would be expected to be a key factor in investing in this manner. It is not done in the majority of all listed equity appointments when we also consider the pooled funds, where we instead have a thorough selection process.

We also invested in a new emerging markets equity fund during the period integrating ESG and explicitly excluding fossil fuels. While this is a pooled fund, we were the anchor investor and played a key role in the design of the product. These specific ESG requirements were therefore included in fund documentation.

Monitoring

SAM 08	Mandatory	Public	Core Assessed	PRI 1
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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
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	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG incorporation objectives (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
PRI Transparency Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

SAM 08.2

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

	LE	FI - SSA	FI - Corporate (financial)?	FI - Corporate (non-financial)?				
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

We require all managers to provide us with fossil fuel exposure information twice a year. This is used to measure progress against our divestment targets.

For additional manager monitoring, our consultant also collects firm and fund level data from managers in an ESG DDQ on issues related to responsible investment and ESG integration. This information informs decisions on individual managers and provides aggregated scores for our portfolio to monitor progress and has been used for targeted engagement with our managers discussing Responsible Investment.

During the period we also used third party ESG analytical tools to assess the underlying holdings of the fixed income and listed equity managers across our portfolio. This included ESG scoring across all three pillars, information on exposure to controversies, and carbon emission foot-printing of our portfolio.

All of this information helps us keep our own bespoke ESG scores on our managers, based on these various ESG attributes. These are in turn aggregated in the monitoring of our total portfolio held with external managers. We expect the portfolio to continue to shift in weight towards high scoring proactive managers given the ongoing emphasis on ESG, fossil fuel divestment and responsible investment in our Selection and Monitoring process.

SAM 08.3 Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

We note that many ESG and responsible investment initiatives focus on equities. Therefore, working with our consultant we undertook a specific project having monitoring calls or meetings with all non-passive fixed income managers in the long term fund specifically dedicated to discussing ESG integration and responsible investment. This was in addition to the other detailed monitoring reviews. Specific attention was given to reviewing how managers' approaches differ between SSA and Corporate debt, and how approaches more broadly differ from those of equity managers, in terms of data/scoring, materiality, restrictions, time horizons and engagement.

We were encouraged by the focus on ESG and interesting innovations of active managers in the fixed income space.

SAM 09 **Mandatory** **Public** **Additional Assessed** **PRI 1**

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

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

Given the approaches can be different to Listed Equity, we undertook a specific project to review responsible investment, ESG integration and engagement approaches during the period with all our active Fixed Income managers. Meetings and calls were held specifically on this issue.

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" 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"/>

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

We asked Listed Equity Managers in the portfolio for voting and engagement reports (where available) for the period for review in order to aggregate data and assess the Listed Equity portfolio as a whole.

SAM 10	Mandatory	Public	Additional Assessed	PRI 2
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SAM 10.1

For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

Votes cast (to the nearest 5%)

%

96

Specify the basis on which this percentage is calculated.

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

SAM 10.2 Additional information [OPTIONAL]

To calculate this, we obtained and reviewed voting reports for the period from all of our passive and active long only equity managers with the exception of one active manager, who does not disclose data on their voting activity. For this one manager, we have conservatively assumed a worst case – based on the number of positions we assumed they voted none of the company meetings, although the manager does actively vote on a case by case basis. Excluding this manager completely, the above figure would move from 96% to over 97%.

Our monitoring of voting reports shows that our listed equity managers generally try to vote in all meetings and provide good transparency on individual voting decisions.

In some cases, the policy is not vote where the securities are held at the record date but are disposed of prior to the date of the relevant company meeting. In other cases share blocking considerations in the relevant market prevent voting and this is beyond the manager's control. These issues generally account for the instances where managers did not vote a small minority of company meetings.

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.

%

54

SAM 11.2 Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

Measures

Monitoring of firm and fund level RI informs engagement with managers on RI issues.

- Move assets over to investment managers with better RI practices

Measures

This is an ongoing process, involving selection based on ESG integration, responsible ownership practices by external managers, fossil fuel divestment and proactive investment in sustainable solutions to the low carbon economy

Other, specify

We have aimed to more broadly change manager behaviour around RI and drive product creation where gaps existed meeting our RI requirements

Measures

We seeded an innovative new fossil fuel free emerging market equity fund and worked with another manager to design a new customized low carbon passive approach during the period.

None of the above

SAM 12	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	Emerging Markets Equity Fossil Fuel Free Investments
Conducted by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (financial)
Scope and process	<p>In the emerging markets equity asset class we noted an absence of quality managers explicitly excluding fossil fuels, integrating ESG, and still providing good broad market exposure to the more value orientated sectors in emerging markets.</p> <p>Separate accounts are also more challenging in EM due to more complicated custody arrangements.</p> <p>We therefore worked with our investment consultant to identify a strong manager who could act as partner and create a new pooled product meeting these requirements. We would aim to drive this by acting as the seed investor to create this new product.</p> <p>It was important to seed a pooled fund accessible to other investors, since we aim to act as a catalyst for driving more sustainable products in the investment industry.</p>
Outcomes	<p>We successfully identified an appropriate manager and worked alongside them to design the product. The manager selected was Acadian Asset Management, a Boston based quantitative investment manager with a strong track record in emerging markets and experience of integrating ESG and managing specific exclusions.</p> <p>The new fund is the Acadian Sustainable Emerging Markets ex Fossil Fuel UCITS Fund.</p> <p>During the reporting period we seeded the product leading to a successful launch. Other asset owners have subsequently decided to invest in this important new product. A separate vehicle has also been created offering this fossil fuel free product for USA based investors as well.</p> <p>Some colour and press coverage on the new fund is given in the links below:</p> <p>https://www.fnlonon.com/articles/us-house-acadian-launches-fossil-fuel-free-active-em-strategy-20161213</p> <p>http://www.acadian-asset.com/en/News-And-Events/News-Listing/2016/AAM-launches-Emerging-Market-Fossil-Fuel-Free-strategy</p> <p>http://moderninvestor.com/news/guardian-media-group-seeds-world-s-first-fossil-fuel-free-em-equity-fund/a982431</p>

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- We are not able to provide examples

Communication

SAM 13

Mandatory

Public

Core Assessed

PRI 6

SAM 13.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

Yes, we disclose information publicly

provide URL

<http://www.theguardian.com/gmg>

provide URL

<http://www.theguardian.com/environment/2015/apr/01/guardian-media-group-to-divest-its-800m-fund-from-fossil-fuels>

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

We have publically disclosed our broad fossil fuel divestment policy which relates to all indirect investments.

No

Yes, we disclose information to clients/beneficiaries only

We do not proactively disclose information to the public and/or clients/beneficiaries