

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

RI TRANSPARENCY REPORT

2017

North East Scotland Pension Fund

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 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		-	n/a							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	-	n/a							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
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	-	n/a							✓
SG End	Module confirmation page	✓	-							

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

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	-	n/a	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	-	n/a		✓					
LEA 13	Engagements on E, S and/or G issues	-	n/a		✓					
LEA 14	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 15	Examples of ESG engagements	-	n/a		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	-	n/a		✓					
LEA 21	Securities lending programme	-	n/a		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	-	n/a		✓					
LEA 26	Examples of (proxy) voting activities	-	n/a		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

North East Scotland Pension Fund

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

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

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.2 Additional information. [Optional]

The North East Scotland Pension Fund is one of Scotland's larger Local Government Pension Funds, providing pension benefits for over 60,000 members drawn from over 56 employers.

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

32

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2016

OO 04.2

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

	trillions	billions	millions	thousands	hundreds
Total AUM		3	569	284	960
Currency	GBP				
Assets in USD		4	544	433	224

OO 06

Mandatory

Public

Descriptive

General

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

OO 06.1

How you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

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

Forestry	0	0
Farmland	0	0
Inclusive finance	0	<10%
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	86.4
	Corporate (financial)	5
	Corporate (non-financial)	6.2
	Securitized	2.4
	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.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)
[a] Listed equity	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" 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 checked="" type="radio"/> 0% <input 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 checked="" type="radio"/> 0% <input 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 %
[g] Property	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
[h] Infrastructure	<input 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 %
[m] Inclusive finance	<input checked="" type="radio"/> 0% <input type="radio"/> <10%	<input type="radio"/> 0% <input checked="" type="radio"/> <10%

	<input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 10-50% <input type="radio"/> >50 %
[n] Cash	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total externally managed assets	<i>Please ensure the entire table (both columns combined) totals to 100%</i>	

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	<i>100%</i>

Gateway asset class implementation indicators
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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.
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- 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
- Property
- Infrastructure
- Inclusive finance
- Cash
- None of the above

North East Scotland Pension Fund

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and its 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)

In addition the Fund is an active member of LAPFF, who have an investment policy, which has a definition of ESG and/or responsible investment and its relation to investments, active ownership approaches and reporting.

- 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

LAPFF policies which are based on law, regulation, codes and policies relevant to responsible investment, including all of the international law and soft law documents.

- 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.

Our Investment Principles and strategies are laid out in our Investment Policy and supporting policy documents and aim to address ESG factors covering:

In-house Voting Stewardship Code Corporate Governance Membership of the LAPFF

- No

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

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment (will be made public)

Formalised guidelines on corporate governance factors

	URL/Attachment
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URL

	URL
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<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment (will be made public)

(Proxy) voting policy

	URL/Attachment
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URL

	URL
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<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment (will be made public)

Other, specify (1)

	Other, specify (1) description
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Stewardship Code

URL/Attachment

URL

URL

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

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

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

URL/Attachment

URL

URL

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment

Processes / approaches to incorporating ESG

URL/Attachment

URL

URL

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

Attachment

Reporting

URL/Attachment

URL

URL

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

- Attachment
- Other RI considerations, specify (1)
- We do not publicly disclose any investment policy components

SG 02.3 Indicate if your organisation’s investment principles, and overall investment strategy is publicly available

Yes

URL

<http://www.nespf.org.uk/Governance/PolicyDocuments.asp>

No

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.

Conflict of interests are included in our Statement of Investment Principles. The fund encourages the asset managers it employs to have effective policies addressing potential conflicts of interest. In respect of conflicts of interest within the fund, pension panel members are required to make declarations of interest prior to panel meetings.

No

SG 03.3 Additional information. [Optional]

Lapff has developed a tool to identify conflicts of interest among LAPFF executive members to ensure these members are complying with their local conflict of interest standards

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]

LAPFF members agree an annual work plan and discusses changes and updates to the plan quarterly.

LAPFF also has a process for regularly reviewing the responsible investment policies that guide its engagement approach and additionally these objectives as required in response to engagements, legal and policy developments.

Governance and human resources

SG 07**Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
- 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
Pension Manager

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- 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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Through regular reporting NESPF monitors the extent to which our external fund managers incorporate ESG issues in their investment processes, and hold those managers to account for improvement in their ESG performance.

Fund engagement is carried out through: LAPFF, NESPF is an active member of the Local Authority Pension Fund Forum (LAPFF) whose aim is to maximise their influence as shareholders whilst promoting corporate social responsibility along with the highest standards of corporate governance & research. The Fund has a representative on the LAPFF Executive and we attend the business meetings.

We Vote In-house on our Active Equity holdings, this was decided so that we had total control over the Funds Voting responses, we quarterly add our Voting Record to our webpage, and information is also included in our Annual Report.

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

	Number
--	--------

1

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.

Select all that apply

- Principles for Responsible Investment

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

- Basic
 Moderate
 Advanced

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

Through the PRI - We participate in the SSE initiative and Investor Working Group and have written out to stock exchanges to engage with them to sign up to the initiative.

- AFIC – La Commission ESG
 Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change

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 participate in this initiative through our membership in LAPFF

- CDP Forests

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 participate in this initiative through our membership in LAPFF

CDP Water

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 participate in this initiative through our membership in LAPFF

- 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)

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 participate in this initiative through our membership in LAPFF

- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

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 have added our name to and participated in webinars re the Garment Industry in Bangladesh

- 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

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 participate in this initiative through our membership in LAPFF

- Local Authority Pension Fund Forum

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

- Basic
- Moderate
- Advanced

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

We are active members of the Forum, with a representative on the LAPFF Executive who attends AGMs on behalf of LAPFF. They and an officer attend each quarterly meeting and the Annual Conference.

- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
UKSIF - We participate in this initiative through our membership in LAPFF

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 participate in this initiative through our membership in LAPFF

- 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
- Other collaborative organisation/initiative, specify
PRI Working Group on Palm Oil

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]

We participate in this initiative through our membership in LAPFF

- 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

The Fund is a member of the SSE initiative and Investor Working Group

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]

We encourage our Fund managers to expand & produce information on responsible investments in their investment reports. Each quarter an in-house report is presented to our Pension committee. Each year we publish an article in our Annual Report which covers responsible investments, governance, voting, and UNPRI..

Implementation not in other modules

SG 12

Mandatory

Public

Descriptive

PRI 1

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.

- 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
LAPFF commissions research to execute scenario analysis which includes factors representing the investment impacts of future environmental trends.
- 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.

- We do the following
 - Allocation between asset classes
 - Determining fixed income duration
 - Allocation of assets between geographic markets
 - Sector weightings
 - Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 13.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change

SG 13.2

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

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Through LAPFF we co-filed a resolution on climate change in the Aiming for A initiative, & supported research for Engaging for a Low Carbon Transition.

- None of the above

SG 13.3

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

- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify

	other description
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Scenario Testing - LAPFF

- 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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We co-filed resolution on climate resilience with Rio Tinto through LAPFF's participation in the Aiming for A initiative. LAPFF has also supported research and produced a report in conjunction with Carbon Tracker on "Engaging for a Low Carbon Transition" and has held seminars on this topic for LAPFF funds.

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
- No

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	Discuss with the Fund Managers during regular reviews any ESG issues and their engagement activities and to what degree that drives their investment process.
Property	Discuss with the Fund Managers during regular reviews any ESG issues and their engagement activities and to what degree that drives their investment process.
Infrastructure	Discuss with the Fund Managers during regular reviews any ESG issues and their engagement activities and to what degree that drives their investment process.
Inclusive finance	Not Applicable
Cash	Not Applicable

North East Scotland Pension Fund

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Overview

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

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

- Yes, we use investment consultants

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

- | |
|---|
| <input checked="" type="checkbox"/> Listed Equity (LE) |
| <input checked="" type="checkbox"/> Fixed income - SSA |
| <input type="checkbox"/> We use investment consultants in our monitoring of external managers |

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
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SAM 02.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.2

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Appointment & Selection

We ask our Managers and consultants as part of our selection and due diligence process to explain how responsible investment is incorporated into their investment strategy, and demonstrate that with examples.

We have a scoring selection process whereby by RI is an appropriated weighted factor.

Monitoring

For ongoing monitoring purposes our Fund considers the following:-

Includes responsible investment as a standard agenda item at performance review meetings.

Works with our Fund Managers to improve responsible investing reporting

Making use of PRI resources

Encouraging your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors

Exploring new avenues for incorporating RI information through our custodian's data platform, which is an example of our wider aim of looking to incorporate new practices into our RI approach.

Listed Equity and Fixed Income Strategies

SAM 03

Mandatory to Report Voluntary to Disclose

Public

Gateway

General

SAM 03.1

Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	Passive	40
	Active - quantitative (quant)	0
	Active - fundamental and active - other	60
100%		
Fixed income - SSA	Passive	38
	Active - quantitative (quant)	0
	Active - fundamental and active - other	62
100%		

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

Active investment strategies

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

Passive investment strategies

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

We don't differentiate between investment style, so our answer will be the same as SAM 02.2

Selection

SAM 05 Mandatory Public Core Assessed PRI 1

SAM 05.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

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

SAM 05.2 Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

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

ESG people/oversight

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

Process/portfolio construction/investment valuation

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

SAM 05.3 Describe the selection process

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

SAM 05.4 When selecting external managers does your organisation set any of the following:

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

SAM 06	Mandatory	Public	Additional Assessed	PRI 2
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SAM 06.1 Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager.

Engagement

	FI - SSA			
Review the manager's engagement policy	<input checked="" type="checkbox"/>			
Review the manager's engagement process (with examples and outcomes)	<input type="checkbox"/>			
Ensure that engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>			
Other engagement 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

Appointment

SAM 07.1	Mandatory	Public	Core Assessed	PRI 1
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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
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SAM 07.2 Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- Listed equity (LE)

Benchmark

- We do not set benchmarks

Objectives

- We do not define ESG objectives

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

- Fixed income - SSA (SSA)

Benchmark

- We do not set benchmarks

Objectives

- We do not define ESG objectives

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

SAM 07.4 Explain which of these actions your organisation might take if any of the requirements are not met

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

Monitoring

SAM 08.1	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							
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
Investment restrictions and any controversial investment decisions	<input type="checkbox"/>	<input type="checkbox"/>							
ESG incorporation objectives (with examples)	<input type="checkbox"/>	<input type="checkbox"/>							
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>							
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>	<input type="checkbox"/>							
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>							
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>							
None of the above	<input type="checkbox"/>	<input type="checkbox"/>							

SAM 08.2	When monitoring external managers, does your organisation set any of the following to measure compliance/progress
-----------------	---

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

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

Engagement

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

Outputs and outcomes

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

%

95

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

- Through regular engagement with our Fund Managers on RI Practices.
- Move assets over to investment managers with better RI practices
- Other, specify
- None of the above

SAM 12**Mandatory****Public****Additional Assessed****PRI 1,6****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.

- Add Example 1

Topic or issue	Working Practices
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA
Scope and process	Highlighting our concern with the Fund Manager regarding the working practices of one of our Equity Holdings and they in turn lobbied the company concerned.
Outcomes	<p>The Fund Manager has been in discussion with the company regarding corporate culture and working conditions.</p> <p>The company has changed its culture by introducing a new set of values and principles. Furthermore they have also put in place internal feedback mechanisms such as employee surveys and employee engagement.</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
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SAM 13.1 Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly
- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

North East Scotland Pension Fund

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

LEA 01.3

Attach or provide a URL to your engagement policy. [Optional]

URL

<http://www.nespf.org.uk/nmsruntime/saveasdialog.asp?IID=1331&sID=169>

LEA 01.4

Provide a brief overview of your organization's approach to engagement

NESPF has a duty to dedicate sufficient time and resource to monitoring the proper application of ESG factors in the approach our external fund managers take to investment and directly in the companies we invest in.

NESPF has a fiduciary duty to incorporate Environmental, Social and Corporate Governance (ESG) factors as an active and embedded principle of risk and return assessment in managing and determining its investment portfolio and ensuring that any managers appointed by the Funds are doing likewise.

Apart from our regular discussions with our Fund Managers our main focus of engagement is through our membership of LAPFF. We have a member on the Executive and we attend all business meetings.

Through our involvement with the PRI, the Fund has a representative on the Sustainable Stock Exchanges Initiative Working Group and we have directly engaged with our own Fund Managers to encourage them to join. We have recently become directly involved with engaging directly with a couple of Stock Exchanges.

○ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
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As an active and responsible investor North East Scotland Pension Fund believes that engagement is a major factor which should, where relevant, be taken into account when managing the Fund's assets. The concept of Long Term Responsible Investment (LTRI) and consideration of Environmental, Social and Governance (ESG) issues in our investment are fundamental to the Fund.

Our Fund does not have the resources to engage with companies in-house, we conduct all our engagement through collaborative engagement networks. We are active members of the Local Authority Pension Fund Forum which has more than 20 years of experience engaging with companies on matters of corporate governance and corporate social responsibility.

We attend all business meetings and annual conference. LAPFF's engagement approach is based on the following core principles:

- Company engagement is conducted on the basis of reputational; risk and long-term value for shareholders. The Forum does not generally take an ethical stance on issues
- Engagement should seek to improve the performance of laggard companies while also striving to acknowledge and encourage companies that are leaders.
- The Forum seeks to understand the company perspective on controversial issues before suggesting opportunities to improve governance or corporate responsibility practices
- All engagement meeting notes and company correspondence are kept strictly confidential in order to protect the company's reputation and allow for open and honest dialogue.
- In the interest of transparency and stewardship, the Forum reports on its engagement activities quarterly. Quarterly reporting is general in nature and does not reveal confidential information. Our Fund has also signed up to various UNPRI initiatives, Global Investor Statement on Climate Change, Global Investor Statement on the Arms Trade and are a member of the Sustainable Stock Exchanges Investor Working Group.

Process

Process for engagements run internally

LEA 03

Mandatory

Public

Core Assessed

PRI 2

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

LEA 03.1

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

- Yes
 No

LEA 03.3

Additional information. [Optional]

The engagement carried out by internal staff has come through being a member of the PRI Sustainable Stock Exchanges Investor Working Group.

LEA 04

Mandatory

Public

Core Assessed

PRI 2

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

LEA 04.1

Indicate if you define specific objectives for your engagement activities.

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

LEA 04.2

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

- Yes
 We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3

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

- Yes
 No

Process for engagements conducted via collaborations

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

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements
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Yes

LEA 05.2	Describe the criteria used to identify and prioritise collaborative engagements
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- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts which has already taken place
- In response to divestment pressure
- Client requests
- Other, describe

No

LEA 05.3	Additional information [Optional]
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The LAPFF Executive Committee, a member of which is from our Fund, gathers input from the members and the primary service provider and advises on what engagement collaborations to pursue and prioritise.

Where a significant number of LAPFF funds hold a company, where LAPFF funds hold a large percentage of the company or a priority issue has been identified, LAPFF will seek to engage with the relevant company.

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

LEA 06.1	Indicate if you define specific objectives for your engagement activities carried out collaboratively.
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Yes

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

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3 Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes

LEA 06.4 Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for milestones and goals
- Tracking, monitoring progress against defined milestones and goals
- Establish a process for when the goals are not met
- Revisit and, if necessary revise the goals on a continuous basis
- Other, please specify

other description

Through LAPFF as detailed below.

- No

LEA 06.5 Additional information. [Optional]

Tracking and/or monitoring progress against defined milestones and goals Establish a process for when goals are not met Revisit and, if necessary, revise goals on a continuous basis

Other: For LAPFF-initiated engagements, progress is monitored by the service provider and progress reports are provided to members in the form of a Quarterly Engagement Report and through presentations at Business meetings. Before each engagement meeting LAPFF sets out two or three objectives, then following the meeting an indication is provided of whether these objectives were achieved and if so how. An assessment is provided of progress, ranging from 'no progress' to 'substantial improvement'. For other collaborative engagements, LAPFF will monitor companies for progress where LAPFF has a direct engagement interest or ongoing relationship with that company. For companies where LAPFF does not have a direct relationship, we allow other collaborators to evaluate company progress and report back.

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

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

LEA 07.1

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

Yes

LEA 07.2

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

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

Actively monitor and review the activities of the service provider

Actively monitor and review the activities of the service provider

No

LEA 07.3

Additional information. [Optional]

As a LAPFF member, we have an opportunity to suggest topics or companies for engagement. The LAPFF Executive Committee makes the final recommendation on whether or not to go forward with an engagement suggested by a LAPFF member. LAPFF's engagement progress is actively monitored and reviewed at each quarterly Business Meeting. In addition, the Executive Committee assesses the performance of LAPFF's service provider annually.

The Funds Convenor is on the LAPFF Executive and has represented LAPFF directly in engagement meetings with companies and at AGMs.

LEA 08**Mandatory****Public****Core Assessed****PRI 2,6****LEA 08.1**

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

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

LEA 08.2 Additional information. [Optional]

Our Fund monitors the progress of LAPFF on the topics listed above by means of being a member of the executive committee, through attending the quarterly business meetings and the LAPFF Quarterly Engagement Report.

General processes for all three groups of engagers

LEA 10 **Mandatory** **Public** **Gateway** **PRI 2**

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

LAPFF tracks the number of companies that it engages with directly and reports this quarterly as well as annually. All incoming and outgoing correspondence as well as all meetings and phone calls with companies are saved and recorded, allowing LAPFF to provide accurate and comparable statistics on number and type of engagements year on year. For collaborative engagements, LAPFF endeavors to track how many companies it reaches. However, the number of companies where the number of companies contacted numbers into the hundreds in a collaborative engagement is not systematically tracked.

Communication

LEA 16

Mandatory

Public

Core Assessed

PRI 2,6

LEA 16.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

http://www.nespf.org.uk/Investment/inv_lapff.asp

provide URL

<http://www.lapfforum.org>

LEA 16.2

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

- Yes

LEA 16.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 16.4 | Indicate how frequently you report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Ad hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 16.8 | Additional information. [Optional]

In our Annual report we have a section on Responsible Investment, which details our Voting record, For & Against split and geographical Split along with details of the Funds activities over the past year.
All the Funds Voting records are available on our Website and are updated quarterly, as is a link to the LAPFF website.

(Proxy) voting and shareholder resolutions

Overview

LEA 17	Mandatory	Public	Gateway	PRI 1,2,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 17.1 | Indicate whether your organisation has a formal voting policy.

- Yes
- No

Process

LEA 18	Mandatory	Public	Descriptive	PRI 2
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LEA 18.1 | Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients' requests or policy
 - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

LEA 18.2

Additional information.[Optional]

As a long term shareholder one of the main tools open to the NESPF is to use its influence is by exercising its voting power on governance, social and environmental factors with the companies in which it invests. Apart from our Pooled Passive Fund we vote in-house on at all AGM's and EGM's where the Fund is entitled to vote. The Fund's voting advice is provided by P.I.R.C (Pensions & Investment Research Consultants Ltd). PIRC is the UK's leading independent research and advisory consultancy. In addition the Local Authority Pension Fund Forum (LAPFF) also provides us with research including the receipt of regular alerts on companies with serious corporate governance failings. Both sources of information are taken into account when making our voting decisions

LEA 22

Mandatory

Public

Core Assessed

PRI 2

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

LEA 22.1

Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 22.2

Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 22.3	Additional information. [Optional]
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When LAPFF issues voting alerts, the alerts contain the rationale for the vote recommended and are regularly sent to target companies for comment.

Outputs and outcomes

LEA 23	Mandatory	Public	Core Assessed	PRI 2
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LEA 23.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
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- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 23.2	Explain your reason(s) for not voting certain holdings
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- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- We do not vote on environmental resolutions
- We do not vote on social resolutions
- On request by clients
- Other




We do not track or collect this information

LEA 24	Mandatory	Public	Additional Assessed	PRI 2
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LEA 24.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

LEA 24.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 67
Against (opposing) management recommendations	 27
Abstentions	 6

100%

LEA 24.3 Describe the actions you take after voting against management recommendations.

We Vote In-house on our Active Equity holdings, this was decided so that we had total control over the Funds Voting responses, and we quarterly add our Voting Record to our webpage, and information is also included in our Annual Report.
LAPFF of which we are active member have continued engagement with many companies with any issues included voting against at meetings would be included in their discussions.

No, we do not track this information

Communication

LEA 27 Mandatory Public Core Assessed PRI 2,6

LEA 27.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

http://www.nespf.org.uk/Investment/inv_accounts.asp

LEA 27.2

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

- Yes

LEA 27.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 27.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 27.8

Additional information. [Optional]

All the Funds voting records can be found on our website and are updated quarterly.