



RI TRANSPARENCY REPORT

2020

LAPFF

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

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 an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

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.

Index

| Organisational Overview | | | |
|-------------------------|-------------------------------------|--------|------------------------------|
| Indicator | Short description | Status | Disclosure |
| OO 01 | Basic information | ✓ | Public |
| OO 02 | Reporting year | ✓ | Public |
| OO 03 | Signatory category and services | ✓ | Public |
| OO 04 | Other offerings/business activities | 🔒 | n/a |
| OO 05 | Breakdown of ESG coverage | ✓ | Asset mix disclosed in OO 06 |
| OO End | | ✓ | - |

| Strategy and Governance | | | |
|-------------------------|--|--------|------------|
| Indicator | Short description | Status | Disclosure |
| SG 01 | Responsible investment policy | ✓ | Public |
| SG 02 | Norms used to develop policies | ✓ | Public |
| SG 03 | Policy offerings to clients | ✓ | Public |
| SG 04 | ESG/RI in business offerings | ✓ | Public |
| SG 05 | Outsourcing of services | ✓ | Private |
| SG 06 | Providing training/education | ✓ | Public |
| SG 07 | Applying, advancing and promoting the PRI principles | ✓ | Public |
| SG 08 | Actions taken to promote responsible investment | ✓ | Public |
| SG 09 | Long term trends | ✓ | Public |
| SG 10 | Interaction with asset owners | 🔒 | n/a |
| SG 11 | Aligning approach with investor goals | ✓ | Public |
| SG 12 | ESG recommendations not aligned with investor goals | ✓ | Public |
| SG 13 | Seeking feedback from clients | ✓ | Public |
| SG 14 | Managing conflicts of interest | ✓ | Public |
| SG End | | ✓ | - |

| Reporting | | | |
|-----------|---|--------|------------|
| Indicator | Short description | Status | Disclosure |
| REP 01 | Product type | ✓ | Public |
| REP 02 | Reporting frameworks/standards/guidelines | ✓ | Public |
| REP 03 | Incorporating ESG | ✓ | Public |
| REP 04 | ESG in materiality analysis | ✓ | Public |
| REP 05 | Assuring ESG | 🔒 | n/a |
| REP End | | ✓ | - |

Active Ownership Services

| Indicator | Short description | Status | Disclosure |
|-----------|--|--------|------------|
| AOS 01 | Engagement and/or voting offerings | ✓ | Public |
| AOS 02 | Acquiring ESG data and information | ✓ | Public |
| AOS 03 | Identifying emerging ESG issues | ✓ | Private |
| AOS 04 | Prioritizing engagement topics | ✓ | Public |
| AOS 05 | Channels of engagement | ✓ | Public |
| AOS 06 | Accessing the appropriate teams when engaging with companies | ✓ | Public |
| AOS 07 | Monitoring engagements | ✓ | Public |
| AOS 08 | Defining and measuring success | ✓ | Public |
| AOS 09 | Companies changing practices/behavior following engagement | ✓ | Private |
| AOS 10 | Engaging with policy makers and industry bodies | ✓ | Private |
| AOS 11 | ESG in voting recommendations | ✓ | Public |
| AOS 12 | Raising concerns with companies ahead of voting | ✓ | Private |
| AOS 13 | Voting against management | ✓ | Public |
| AOS 14 | Monitoring voting outcomes | ✓ | Public |
| AOS 15 | Mechanisms for clients to review voting recommendations | ✓ | Public |
| AOS 16 | Involvement in projects to improve voting trail and obtaining confirmation | ✓ | Public |
| AOS 17 | Sharing ESG information on companies with clients | ✓ | Public |
| AOS End | | ✓ | - |

Research and Data Provision

| Indicator | Short description | Status | Disclosure |
|-----------|------------------------------------|--------|------------|
| RDP 01 | Product type | ✓ | Public |
| RDP 02 | Sources for research and/or rating | ✓ | Public |
| RDP 03 | Stakeholder input | ✓ | n/a |
| RDP 04 | Up-to-date assessment and ratings | ✓ | Public |
| RDP 05 | Balanced research and assessment | ✓ | Public |
| RDP 06 | Consistency and comparability | ✓ | n/a |
| RDP 07 | Emerging ESG issues and trends | ✓ | Private |
| RDP 08 | Client use of outputs | ✓ | Private |
| RDP 09 | | ✓ | Private |
| RDP End | | ✓ | - |

Confidence building measures

| Indicator | Short description | Status | Disclosure |
|-----------|--|--------|------------|
| CM1 01 | Other product offerings, processes and/or activities | ✓ | n/a |
| CM1 02 | Assurance of responses | ✓ | Private |
| CM1 End | Module confirmation page | ✓ | - |

LAPFF

Reported Information

Public version

Organisational Overview

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.

Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1 Select the location of your organisation's headquarters.

United Kingdom

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

0

OO 01.5 Additional information.[OPTIONAL]

PIRC is the research and engagement partner to LAPFF. While there are three full-time equivalent PIRC staff servicing LAPFF, other PIRC staff contribute to LAPFF work to a lesser or greater degree depending on the project in question.

Reporting Year

| | | | |
|-------|-----------|--------|-------------|
| OO 02 | Mandatory | Public | Descriptive |
|-------|-----------|--------|-------------|

OO 02.1 Indicate the year end date for your reporting year.

30/09/2019

Signatory category and services

| | | | |
|-------|-----------|--------|---------|
| OO 03 | Mandatory | Public | Gateway |
|-------|-----------|--------|---------|

OO 03.1 Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

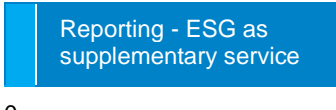

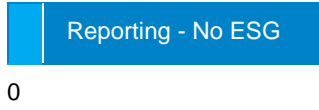
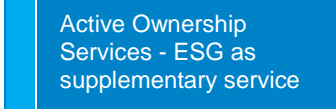

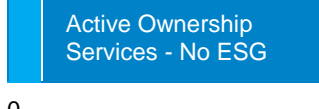
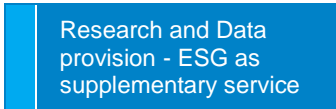
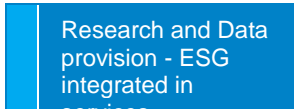
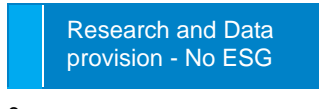
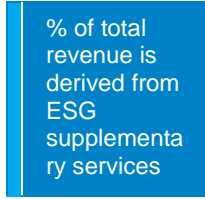
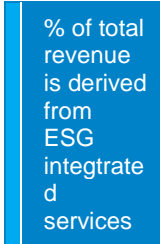
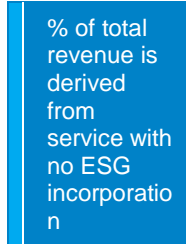
OO 03.2 Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Investment consultancy
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 03.3 Attach a graph showing a breakdown of your business activities. [OPTIONAL]

[File 1:Untitled.png](#)

| | | | |
|-------|---|--------|---------|
| OO 05 | Mandatory to Report Voluntary to Disclose | Public | Gateway |
|-------|---|--------|---------|

| Business Area | ESG as a supplementary service | ESG integrated in services | No ESG |
|-----------------------------|---|---|--|
| Reporting |  <p>Reporting - ESG as supplementary service</p> <p>0</p> |  <p>Reporting - ESG integrated in services</p> <p>15</p> |  <p>Reporting - No ESG</p> <p>0</p> |
| Active Ownership Services |  <p>Active Ownership Services - ESG as supplementary service</p> <p>0</p> |  <p>Active Ownership Services - ESG integrated in services</p> <p>40</p> |  <p>Active Ownership Services - No ESG</p> <p>0</p> |
| Research and Data provision |  <p>Research and Data provision - ESG as supplementary service</p> <p>0</p> |  <p>Research and Data provision - ESG integrated in services</p> <p>45</p> |  <p>Research and Data provision - No ESG</p> <p>0</p> |
| Total |  <p>% of total revenue is derived from ESG supplementary services</p> <p>0</p> |  <p>% of total revenue is derived from ESG integrated services</p> <p>100</p> |  <p>% of total revenue is derived from service with no ESG incorporation</p> <p>0</p> |

LAPFF

Reported Information

Public version

Strategy and Governance

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

LAPFF's mission is to 'protect the long-term investment interests of beneficiaries by promoting the highest standards of corporate governance and corporate responsibility amongst investee companies.' The corporate governance and corporate responsibility elements of the mission statement cover ESG factors and form the basis for the ESG research and engagement that LAPFF undertakes, both at a policy level and in respect of investee companies.. LAPFF's full set of ESG Policies is available at -

http://www.lapfforum.org/wp-content/about-us/2016_LAPFF_Policies_Full_Version.pdf

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

http://www.lapfforum.org/wp-content/about-us/2018_LAPFF_Policies_Full_Version.pdf

Attachment

Not publicly available

Formalised guidelines on environmental factors

Public availability

URL

URL

http://www.lapfforum.org/wp-content/about-us/2018_LAPFF_Policies_Full_Version.pdf

- Attachment
- Not publicly available
- Formalised guidelines on social factors

Public availability

- URL

URL

http://www.lapfforum.org/wp-content/about-us/2018_LAPFF_Policies_Full_Version.pdf

- Attachment
- Not publicly available
- Formalised guidelines on corporate governance factors

Public availability

- URL

URL

http://www.lapfforum.org/wp-content/about-us/2018_LAPFF_Policies_Full_Version.pdf

- Attachment
- Not publicly available
- Formalised guidelines on engagement approach

Public availability

- URL

URL

http://www.lapfforum.org/wp-content/about-us/2018_LAPFF_Policies_Full_Version.pdf

- Attachment
- Not publicly available
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)
- Other, specify (2)
- None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)

As there are no employees of LAPFF per se, training, awareness building, and ESG objectives are developed instead in collaboration with member funds.

- Other, specify (2)

In respect of policy review, dedicated PIRC staff work with the LAPFF membership to set and update LAPFF ESG policies.

- Other, specify (3)

No

SG 01.5

Additional information [OPTIONAL]

Policy documents and statements are publicly available. LAPFF also publishes quarterly engagement reports and yearly annual reports, to report on engagement activities undertaken by the Forum. These are available both to members and to the public, and outline the main ESG topics in focus

SG 02**Mandatory****Public****Descriptive****SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)

EU directives and regulations: EU Audit Directive, Non-Financial Disclosure Directive, Global Data Protection Regulation; UK Corporate Governance Code, UK Stewardship Code

- Other, specify (2)

Local corporate governance recommendations

Other, specify (3)

Local board diversity legal quotas, or recommendations; EC initiative on 40% female on board by 2020.

None of the above

SG 02.2

Additional information. [OPTIONAL]

LAPFF policies do not directly incorporate the above standards, but policies are all developed to be consistent with the above law and standards.

SG 03

Mandatory

Public

Descriptive

SG 03.1

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

| | Off the shelf | Tailored |
|--|--------------------------|-------------------------------------|
| Asset class-specific RI guidelines | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Sector-specific RI guidelines | <input type="checkbox"/> | <input type="checkbox"/> |
| Screening/exclusions policy | <input type="checkbox"/> | <input type="checkbox"/> |
| Engagement policy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (Proxy) voting policy | <input type="checkbox"/> | <input type="checkbox"/> |
| RI guidelines set out within the Investment Policy Statement (IPS) | <input type="checkbox"/> | <input type="checkbox"/> |
| RI guidelines set out in a freestanding RI policy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Multi-year RI implementation project plan | <input type="checkbox"/> | <input type="checkbox"/> |
| Conflict of interest management policy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Stockbroker allocation policy | <input type="checkbox"/> | <input type="checkbox"/> |
| Securities lending policy | <input type="checkbox"/> | <input type="checkbox"/> |
| Other, please specify (1) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other, please specify (2) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other, please specify (3) | <input type="checkbox"/> | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> | <input type="checkbox"/> |

SG 03.2

Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

LAPFF is not itself an asset owner but represents public asset owners. It is also not a legal entity, and its advisors are not authorised to provide investment advice. As such, the Forum does not feel it is appropriate to have a policy on divestment from members' investee companies. Member funds are expected to develop their own policies on divestment and to make this determination as direct asset owners on the basis of research and education provided by LAPFF. LAPFF's policies cover the following topics: board of directors; expectations for executive pay; audit, accounts and other reporting; shareholder activism; and corporate responsibility reporting. LAPFF's full set of ESG Policies is available at- http://www.lapfforum.org/wp-content/uploads/2019/05/2019_LAPFF_Policies_Full_Version.pdf

SG 03.3

Additional information. [OPTIONAL]

LAPFF is a member's organisation and as such does not have clients. We provide standard policies to our members.

SG 04

Mandatory

Public

Descriptive

SG 04.1

Briefly describe how you include ESG/RI factors as part of your business offerings.

Business area

Reporting

How you include ESG/RI factors

[a] Reporting

LAPFF reports both quarterly and annually on its engagement activities. These reports are publicly available on the website. The Forum also issues an Ebulletin to members reporting on recent activities. Owing to the nature of LAPFF's activity, all reporting relates to ESG or responsible investment factors.

Active Ownership Services

How you include ESG/RI factors

From an environmental perspective, the Forum issued voting recommendations for a number of company resolutions in support of analysis and reports evaluating the impact of a two-degree scenario on business and overall reduction of carbon emissions. Other alerts supported reviews of direct and indirect public policy advocacy. LAPFF also released voting alerts in relation to improvements to employment standards and unacceptable remuneration practices.

Research and Data Provision

How you include ESG/RI factors

LAPFF sponsored research on tax reporting practices of the FTSE 50 in comparison with the standards set out in the UK legislation on tax reporting and a research on tax practices of banks and insurance companies. The research will contribute to a new engagement strategy focused on tax policy and the financial sector. LAPFF drafted a response in support of the GRI tax transparency initiative.

SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

| Roles present in your organisation | Oversight/accountability for ESG/RI | Implementation of ESG/RI |
|--|--|---|
| Board | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Directors | <input type="checkbox"/> | <input type="checkbox"/> |
| Chief Executive Officer (CEO), Chief Financial Officer (CFO) | <input type="checkbox"/> | <input type="checkbox"/> |
| Chief Operating Officer (COO), Chief Information Officer (CIO) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other chief-level staff | <input type="checkbox"/> | <input type="checkbox"/> |
| Other heads of department | <input type="checkbox"/> | <input type="checkbox"/> |
| Dedicated ESG/RI staff | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other role, specify (1) | <input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center; margin: 5px 0;">Please specify</div> LAPFF Executive - The LAPFF Executive sets the Forum's ESG policy and engagement agenda. Other role | <input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center; margin: 5px 0;">Please specify</div> LAPFF Executive - The LAPFF Executive sets the Forum's ESG policy and engagement agenda. Other role |
| Other role, specify (2) | <input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center; margin: 5px 0;">Please specify</div> LAPFF Membership - LAPFF members approve the ESG policy and engagement agenda proposed by the LAPFF Executive | <input type="checkbox"/> |
| Other role, specify (3) | <input type="checkbox"/> | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> | <input type="checkbox"/> |

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)

The LAPFF Executive and wider membership receive ESG training and development through dedicated seminars and trainings run by PIRC and through research presented at LAPFF

- Other, specify (2)

Executive Committee (Board) training programmes on ESG/RI

- Other, specify (3)

Partnership with research and engagement partner, PIRC

- Other, specify (4)

SG 04.4

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes
- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 04.6

Describe how you ensure that your employees incorporate ESG/RI into services through other mechanisms than ESG/RI linked incentives.

LAPFF does not have employees per se. There are dedicated PIRC staff who provide services to LAPFF, but they are not LAPFF employees. PIRC ensures that employees incorporate ESG/RI into services through their core job descriptions.

SG 04.7

Additional information [OPTIONAL]

Our engagement policies are based on a range of environmental, social and governance factors. LAPFF sets responsible investment objectives in its work plan, which is approved annually by the LAPFF members. Performance against these objectives and progress in company engagements are assessed quarterly in LAPFF's quarterly report, as well as annually.

SG 06**Mandatory****Public****Descriptive**

SG 06.1 Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
 Training for members
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 06.2 Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

The Executive Committee sets LAPFF's strategic goals and ensures that necessary financial and human resources are in place to meet LAPFF's objectives, including presentations and events to help LAPFF member funds in their responsible investment practices. LAPFF runs a training programme to ensure that its members and Executive Committee members receive the support needed to maintain skills and knowledge in relation to their roles generally, including on responsible investment. The role of the Executive committee also included attending meetings with the investee companies. Training is provided to members on the Executive on an annual basis relating to the engagement process.

SG 06.3 Describe whether these training/educational services include any commercial elements.

NO

SG 06.4 Additional information. [OPTIONAL]

LAPFF engages trustees in ESG training, seminars or business meetings, as described above. While the Forum does not conduct investment manager training per se, some of the funds are internally managed, and where members' assets are in manager pooled funds, LAPFF encourages engagement with investment managers to promote appropriate ESG decision-making on their behalf. LAPFF does not engage in corporate executive training per se but uses its engagement meetings to educate company chairs and board members about ESG topics, and in turn to learn about ESG practices from these company representatives.

| | | | |
|--------------|------------------|---------------|--------------------|
| SG 07 | Mandatory | Public | Descriptive |
|--------------|------------------|---------------|--------------------|

SG 07.1 Describe how your organisation applies, advances and promotes the PRI Principles.

ESG issues are incorporated into the LAPFF engagement strategy and policy. Each company is reviewed on a case-by-case basis to assess whether there are material ESG risks for beneficiaries. Where considered appropriate, engagement is pursued with companies to promote good corporate governance or management of corporate responsibility concerns. In addition, LAPFF is active in responding to public consultations as well as participating in other activities such as organising seminars and speaking at conferences, where the implementation of ESG best practice is promoted among issuers and across peers.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes. - N/A to LAPFF. As explained previously, LAPFF's work is not directly involved in the investment decision making process.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices. - LAPFF's purpose is to encourage members to be active owners, and to leverage member fund collaboration as a means of promoting active and responsible ownership. This includes having asset owners themselves participate in engagements with companies, not just their service provider.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest. - One of the frequent asks at LAPFF engagement meetings is for improved disclosure by investee companies of ESG issues. The Forum also submits consultation responses to promote improved transparency and disclosure.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry. - Where appropriate, LAPFF promotes PRI-hosted and initiated collaborative engagements among its members.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles. - As above, and LAPFF is by definition a collaborative initiative. Therefore, its purpose and effectiveness is predicated upon members working together to promote and implement good ESG practices.

Principle 6: We will each report on our activities and progress towards implementing the Principles. - LAPFF issues quarterly engagement reports, monthly e-bulletins and an annual report to disclose the type and effectiveness of the Forum's activities.

| | |
|----------------|---|
| SG 07.2 | Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL] |
|----------------|---|

The Forum would appreciate regular meetings with appropriate PRI staff to ensure that it is maximising its own leverage in implementing its ESG work and promoting the PRI's initiatives to full effect.

| | | | |
|--------------|------------------|---------------|--|
| SG 08 | Mandatory | Public | |
|--------------|------------------|---------------|--|

| | |
|----------------|---|
| SG 08.1 | Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives. |
|----------------|---|

- Provided or supported education or training programmes for clients, investment managers, 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
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

| | | | |
|--------------|------------------|---------------|--------------------|
| SG 09 | Mandatory | Public | Descriptive |
|--------------|------------------|---------------|--------------------|

SG 09.1

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics
- Climate change

SG 09.2

Explain how this long-term trend affects your product outputs.

Relating specifically to climate change, LAPFF is of the view that climate-related risks and opportunities will be financially material to the performance of investment portfolios. LAPFF commissions research to execute scenario analysis which includes factors representing the investment impacts of future environmental trends. LAPFF teamed up with the Climate Majority Project to create long-term climate change strategies at the 50 largest carbon footprint public companies. The Forum also published a climate change investment policy framework for Local Government Pension Scheme funds, as well as a related implementation guidance for funds. The Forum also specifically engaged with fossil fuel, mining and electric utilities companies on climate change resilience and reporting. Additionally climate risk management is brought up in a majority of company engagements, regardless of industry sector. LAPFF has also engaged with policymakers on climate change through policy consultations. The connection between climate change and resource scarcity often mean LAPFF there is considerable overlap in the policies, papers and guidance LAPFF produces on the two.

- Resource scarcity

SG 09.2

Explain how this long-term trend affects your product outputs.

Resource scarcity is linked to a number of LAPFF engagement topics, including climate change and plastics, among others. The Forum has also increased engagement on the UN Sustainable Development Goals (SDGs) in the last year, and many of the SDGs cover topics related to resource scarcity. This consideration affects both the engagement questions asked of investee companies and the types of reports that the Forum is likely to draft for members.

- Technology developments

SG 09.2

Explain how this long-term trend affects your product outputs.

Technology developments form another area that cuts across LAPFF's work streams, from technology used to mitigate climate change to technology affecting workers. In engaging companies on climate change, the Forum consistently assesses the role that technology should play in facilitating improved corporate practice on climate change mitigation and adaptation. In engaging companies on workforce issues, LAPFF considers the role of technology in allowing staff to engage in dignified work and to ensure that their human rights and employment rights are protected. Among other things, LAPFF is constantly monitoring the governance of data security and engages with companies on cybersecurity.

- Other, specify (1)
- Other, specify (2)
- None of the above

SG 11**Mandatory****Public****Descriptive**

| | |
|----------------|---|
| SG 11.1 | Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals. |
|----------------|---|

- Describe
- This is not relevant for my organisation

| | |
|----------------|------------------------------------|
| SG 11.2 | Additional information. [OPTIONAL] |
|----------------|------------------------------------|

LAPFF members provide direct feedback into the Forum's work plan and can recommend ad hoc project and research in order to meet their goals and needs. Members also vote on whether to approve the LAPFF ESG policies and participate in engagement meetings with investee companies to promote these policies.

| | | | |
|--------------|------------------|---------------|--------------------|
| SG 12 | Mandatory | Public | Descriptive |
|--------------|------------------|---------------|--------------------|

| | |
|----------------|--|
| SG 12.1 | Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals. |
|----------------|--|

- Describe
- This is not relevant for my organisation

| | |
|----------------|------------------------------------|
| SG 12.2 | Additional information. [OPTIONAL] |
|----------------|------------------------------------|

N/A

| | | | |
|--------------|------------------|---------------|--------------------|
| SG 13 | Mandatory | Public | Descriptive |
|--------------|------------------|---------------|--------------------|

| | |
|----------------|---|
| SG 13.1 | Indicate whether you seek feedback from clients on your RI/ESG services and product offerings |
|----------------|---|

- Yes

| | |
|----------------|---|
| SG 13.2 | Describe how you use this feedback in your RI/ESG services and product offerings. |
|----------------|---|

LAPFF does not have investor clients, but investor members. Service and product offerings are presented at LAPFF Executive and Business Meetings, and feedback from members on whether these offerings are fit for purpose is sought on a regular basis.

- No

| | | | |
|--------------|------------------|---------------|--------------------|
| SG 14 | Mandatory | Public | Descriptive |
|--------------|------------------|---------------|--------------------|

| | |
|----------------|---|
| SG 14.1 | Indicate whether your organisation has a policy for managing potential conflicts of interest. |
|----------------|---|

- Yes

SG 14.2

Describe how you manage potential conflicts of interest.

LAPFF has a process to identify conflicts of interest among LAPFF executive members to ensure these members are complying with their local conflict of interest standards. Executive members complete a form annually regarding conflicts of interest and must, at the beginning of each Executive meeting, state any conflict that will or might arise in the course of the meeting's business.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

LAPFF has no employees.

No

LAPFF

Reported Information

Public version

Reporting

PRI disclaimer

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Type of reporting and assurance

REP 01

Mandatory

Public

Gateway

REP 01.1 Indicate the type of reporting that you prepare on behalf of clients. Tick all that apply.

- Integrated reporting
- RI reporting
- Sustainability reporting
- Financial reporting
- Other, specify (1)

LAPFF does not have clients; it has members. Reporting for members includes the quarterly engagement report, a monthly e-bulletin, and an annual report.

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

REP 01.2 Indicate whether your services include any variety of third party assurance or certification/labelling scheme of clients' ESG/RI data, processes or products.

- Yes
- No

Reporting frameworks/standards/guidelines

REP 02

Mandatory

Public

REP 02.1 Indicate what reporting frameworks/ standards/ guidelines you typically use when preparing reports for clients. Tick all that apply.

- OECD Guidelines for Multinational Enterprises
- OECD Principles of Corporate Governance
- ILO
- ISO, specify
- UN Global Compact
- GRI
- SASB
- IIRC
- PRI
- CDP
- Stewardship code
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Other, specify (1)

UN Guiding Principles on Business and Human Rights

Other, specify (2)

Incorporating ESG

REP 03

Mandatory

Public

REP 03.1

Indicate whether you incorporate ESG factors into your reporting products for clients.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not

REP 03.2

If yes, describe how you typically incorporate E, S, and G factors into the reporting.

LAPFF reports exclusively on ESG factors and their relevance to investee company financial performance and includes this analysis in reporting products for members.

ESG in materiality analysis

REP 04

Mandatory

Public

Descriptive

REP 04.1

Indicate whether ESG is part of the materiality analysis you perform when preparing clients' reports.

- Yes, ESG is systematically part of the materiality analysis
- Yes, ESG is occasionally part of the materiality analysis
- No, ESG is not part of the materiality analysis

REP 04.3

Describe the process you undertake for materiality analysis. [OPTIONAL]

N/A for LAPFF, but LAPFF general analyses for members are predicated on the understanding that ESG factors are material to the financial performance of members' investee companies.

LAPFF

Reported Information

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Active Ownership Services

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Active ownership services

| | | | |
|---------------|------------------|---------------|----------------|
| AOS 01 | Mandatory | Public | Gateway |
|---------------|------------------|---------------|----------------|

AOS 01.1 Indicate which active ownership services are part of your business offerings. Tick all that apply.

- Engagement
- Voting

AOS 01.2 Indicate which markets your organisation covers.

- Developed markets
- Emerging markets

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 02 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

AOS 02.1 Indicate where you acquire your ESG data and information.

- Regulatory sources
- Information from stakeholders and NGOs
- In-person meetings or calls with company, industry, municipality or government representatives
- Media reporting (including social media, blogs and similar)
- Primary data (self-reported from companies or other organisations)
- Secondary data (from ESG research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

AOS 02.2 Describe how this information is used in your product/service offerings.

When the Forum receives information, from its members, external organisations such as other institutional investors, investor bodies, NGOs or trade unions, or through its own monitoring on governance or sustainability concerns, the research and engagement partner will assess the significance of any issue raised, and draft a position paper for discussion by the Executive Committee and/or the full LAPFF membership. The Forum also actively monitors the marketplace to enable the full Forum membership to take strategic decisions in responding to the policy issues on the Forum's agenda, as well as initiatives developed by other investment bodies in the UK and global markets. Prior to meetings, the engagement and research partner produces briefing notes for members of the LAPFF Executive to outline areas of discussion and current company developments.

Engagement

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 04 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

AOS 04.1

Describe how you select priority engagement topics to raise with companies and how you involve your clients in this process.

The Forum decides on the level of its involvement in any shareholder campaign on a case-by-case basis. After a decision to engage is made by members, the research and engagement partner undertakes a detailed comparative assessment to identify and contrast best practice where possible, and then proposes an engagement strategy to be adopted by the Forum and executes that strategy. Companies will be selected should the Forum opt to pursue engagement. After such a decision is made, the research and engagement partner undertakes a detailed comparative assessment to identify and contrast best practice where possible, and then proposes an engagement strategy to be adopted by the Forum and executes that strategy. As LAPFF is a member led organisation, the membership can request that LAPFF prioritise an engagement topic. Before a decision to initiate an engagement strategy is taken a scoping paper will be drafted by the Forum's research and engagement partner and reviewed by the LAPFF executive to ensure appropriateness.

AOS 04.2

Describe how you define the objectives and milestones of the engagements and how you involve your clients in this process.

The Forum assesses long-term environmental, social and governance risks and opportunities on a case-by-case basis to determine appropriate shareholder engagement strategies. In advance of company engagement meetings, specific engagement objectives are set and discussed at a briefing prior to the engagement meeting. A debrief with the LAPFF executive member allows LAPFF representatives to assess and determine the outcomes against these objectives once the meeting has concluded. LAPFF involves its asset owner members by encouraging members of the LAPFF Executive Committee to participate in and lead engagement meetings with companies.

AOS 05**Mandatory****Public****Descriptive****AOS 05.1**

Indicate what channels you use to engage. Tick all that apply and indicate the frequency with which you typically use the channels.

Engagement type

Letters and e-mails

Frequency

- In minority of cases
- In majority of cases
- In all cases

Meetings and/or calls with board/senior management

Frequency

- In minority of cases
- In majority of cases
- In all cases

Meetings and/or calls with the CSR, IR or other management

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Visits to operations
- Visits to supplier(s) from the company's supply chain
- Other (1), specify

Increasingly speaking to affected stakeholders to understand better what the ESG issues affecting both the stakeholders and the company are in order to both protect stakeholders and identify business risks to maximum effect.

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Other (2), specify

Specific ESG research

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Other (3), specify

AGM Attendance

Frequency

- In minority of cases
- In majority of cases
- In all cases

AOS 05.2 Describe your typical execution method.

- We identify and discuss contemporary responsible investment themes and issues relevant to members' holdings.
- We discuss the objectives and expected outcomes of the engagement.
- We select the companies, based on members' exposure, to engage.
- We instruct our service provider to conduct detailed research.
- We participate directly in certain engagements with our service provider.

AOS 05.3 Additional information [OPTIONAL]

LAPFF members 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.

In advance of LAPFF engagement meetings, specific engagement objectives are set and then outcomes measured against them once the meeting has concluded. To the extent possible, company actions that correspond to LAPFF engagement objectives are assessed and recorded. Through LAPFF engagements, companies are assessed and monitored for progress against engagement objectives.

| | | | |
|--------|-----------|--------|-------------|
| AOS 06 | Mandatory | Public | Descriptive |
|--------|-----------|--------|-------------|

| | |
|----------|--|
| AOS 06.1 | Indicate from the options below the employee at the companies you typically engage with. |
|----------|--|

Employee level

- Board members

| |
|-----------|
| Frequency |
|-----------|

- In minority of cases
- In majority of cases
- In all cases

- Corporate secretary/general counsel

| |
|-----------|
| Frequency |
|-----------|

- In minority of cases
- In majority of cases
- In all cases

- CEOs

| |
|-----------|
| Frequency |
|-----------|

- In minority of cases
- In majority of cases
- In all cases

- Other C-level staff or heads of departments

| |
|-----------|
| Frequency |
|-----------|

- In minority of cases
- In majority of cases
- In all cases

- Investor relations-teams

| |
|-----------|
| Frequency |
|-----------|

- In minority of cases
- In majority of cases
- In all cases

- Sustainability/CSR team members

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Non-management employees

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

AOS 06.2 Describe how you ensure the client’s rationale and engagement objectives are being communicated clearly to the company at the beginning and during the dialogue phase.

The Forum chair will usually initiate dialogue with a company by writing to the chair of the board, with the objective of obtaining more information where required, and to request a meeting with the chair or appropriate board member to explore the company’s approach to any environmental, social and governance issues deemed particularly relevant to the issue at hand. The research and engagement partner prepares a briefing note for the LAPFF executive committee member covering the following: objectives of the engagement, how many funds hold the company, prior LAPFF engagements, any relevant background information on the company and financial statistics. A set of questions is also provided to guide the dialogue. During the meeting, the LAPFF representative explains what LAPFF is. The discussion aims to explore objectives as per the brief. 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. Meeting notes are always shared with the company to ensure accurate information.

AOS 06.3 Describe the escalation strategies you take (or suggest that your clients take) when the engagement objectives are not achieved.

If the objectives have not been met, a decision is taken as to whether to continue with the engagement and escalate the engagement or whether to continue with a standard engagement. Escalation can include collaborative engagements with other investment bodies or co-filing shareholder resolutions.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the Board of directors or the annual financial report
- Other: AGM attendance

| | | | |
|--------|-----------|--------|-------------|
| AOS 07 | Mandatory | Public | Descriptive |
|--------|-----------|--------|-------------|

AOS 07.1 Indicate how you monitor the progress of engagements.

- Define timelines/milestones for your objectives
- Track and/or monitor progress against defined objectives
- Track and/or monitor progress of actions taken when original objectives are not met
- Review and, if necessary, revise objectives on an ongoing basis
- Other, specify (1)
Execute a process for when objectives are not met
- Other, specify (2)
- Other, specify (3)
- None of the above

AOS 07.2 Describe how you typically decide what recommendations for next steps to give to clients.

- Yes, we do provide clients with recommendations for next steps
- We do not provide clients with recommendations for next steps

AOS 07.3 Additional information [OPTIONAL]

Following an engagement with a company, LAPFF recommends next steps for members based on the progress, or lack thereof, made during the engagement. If escalation is required, recommendations are made based on LAPFF's escalation strategy in line with what is required in a given engagement.

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 08 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

AOS 08.1 Describe how you define success when evaluating/reviewing engagements on ESG factors.

LAPFF assesses the outcomes of each company engagement. The categories used to record engagement outcomes are as follows: Satisfactory response; Change in process; Moderate improvement; Substantial improvement; Dialogue; Small Improvement; Awaiting Response; No Improvement. After each meeting, progress against the outcomes are reviewed and a recommendation recorded on suggested next steps.

AOS 08.2 Describe how you measure success when evaluating/reviewing these engagements.

Engagements are evaluated on a case-by-case basis, taking into consideration prior engagements and company commitments. Success is deemed to be achieved when:

- The company has responded either in writing or in a meeting and LAPFF is satisfied with the response. In such case, no further engagement is necessary.
- The company has shown substantial improvement in practices or full implementation of LAPFF's request. In such case, no further engagement is necessary.

Voting

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 11 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

| | |
|-----------------|--|
| AOS 11.1 | Describe how ESG factors are taken into consideration in voting recommendations. |
|-----------------|--|

LAPFF issues voting alerts which provide voting recommendations to member funds for companies of concern, advising members of how to vote on a particular director or issue(s) in line with LAPFF's ESG policies and/or approaches. LAPFF follows its Policy Guide on ESG issues to determine voting recommendations. The recommendations are provided on a case by case basis, and take account of previous engagement with the company on the relevant topic.

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 13 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

| | |
|-----------------|--|
| AOS 13.1 | Indicate the proportion of votes where you have communicated the rationale to companies when you, on behalf of your clients, abstain or vote against management proposals. |
|-----------------|--|

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we do not abstain or vote against management recommendations

| | |
|-----------------|-----------------------------------|
| AOS 13.3 | Additional information [OPTIONAL] |
|-----------------|-----------------------------------|

LAPFF believes in engaging constructively with members' investee companies. Explaining why the Forum is voting a certain way is deemed another form of engagement with the company board and extending the opportunity for dialogue and debate on material responsible investment concerns.

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 14 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

| | |
|-----------------|---|
| AOS 14.1 | Describe how you monitor voting outcomes. |
|-----------------|---|

LAPFF monitors the vote(s) outcomes and reports back to members. These voting recommendations are assessed on a comparative basis with the asset managers executing the votes on the Forum members' behalf.

| | |
|-----------------|---|
| AOS 14.2 | Describe how you typically decide what recommendations for next steps to give to clients. |
|-----------------|---|

- Yes, we do provide recommendations for next steps
 - Voting outcomes are just one element that feeds into decisions on 'next steps'. In some instances where a resolution received a high opposition vote, LAPFF may follow up with the company requesting a meeting.
- We do not provide recommendations for next steps

| | | | |
|---------------|------------------|---------------|--|
| AOS 15 | Mandatory | Public | |
|---------------|------------------|---------------|--|

| | |
|-----------------|---|
| AOS 15.1 | Indicate whether you have formal mechanisms in place for clients to review your voting recommendations. |
|-----------------|---|

Yes

| | |
|-----------------|--|
| AOS 15.2 | Describe the formal mechanisms you have in place if clients wish to review your voting recommendation and/or give voting instructions different from your recommendations. |
|-----------------|--|

The LAPFF Executive Committee reviews voting recommendations before they are sent to the broader membership. The voting alerts are circulated to members on an advisory basis. The individual member considers the recommendation and then liaises with the third party providers on how they wish to execute the vote.

No

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 16 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

| | |
|-----------------|---|
| AOS 16.1 | Describe your involvement in any project to improve the voting trail and/or to obtain vote confirmation for your clients. |
|-----------------|---|

Yes, we are involved in projects to improve the voting trail and/or to obtain vote confirmation for our clients

Not applicable

| | |
|-----------------|-----------------------------------|
| AOS 16.2 | Additional information [OPTIONAL] |
|-----------------|-----------------------------------|

The Forum has recently instructed its service provider to undertake research in to the voting habits of the largest fund managers. The aim of this project is to hold managers accountable for their voting records. It is considered that providing members with the voting records of their individual fund managers will improve the implementation of voting confirmations within the LAPFF universe.

Communication and sharing ESG information

| | | | |
|---------------|------------------|---------------|--------------------|
| AOS 17 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

| | |
|-----------------|---|
| AOS 17.1 | Indicate whether you proactively disclose your engagement and/or voting outcomes to clients and the public. |
|-----------------|---|

| | |
|--|------------|
| | Engagement |
|--|------------|

| | |
|--|---------|
| | Clients |
|--|---------|

Disclosed quarterly or more frequently

Disclosed biannually

Disclosed annually

Disclosed less frequently than annually

Disclosed ad hoc/when requested

Public

- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Disclosed ad hoc/when requested

Voting

Clients

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

Public

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

AOS 17.2 Indicate how you ensure all ESG information on companies gained as a result of engagement and/or voting activities is shared with clients.

Engagement

- We proactively ensure that all ESG information is made available.
- We share all ESG information upon request.
- We do not make any additional ESG information available.

Voting

- We proactively ensure that all ESG information is made available.
- We share all ESG information upon request.
- We do not make any additional ESG information available.

AOS 17.3 Additional information [OPTIONAL]

This information is shared at LAPFF Executive meetings and LAPFF Business meetings and is shared through a range of LAPFF publications. PIRC also stores this information in a database so has historical data on these engagement and voting that it can share with LAPFF members.

LAPFF

Reported Information

Public version

Research and Data Provision

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Product level

RDP 01

Mandatory

Public

RDP 01.1 Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

RDP 01.2 Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

RDP 01.3 Additional information. [OPTIONAL]

LAPFF makes some of its trustee guides available publicly.

Research/process level

RDP 02

Mandatory

Public

RDP 02.1 Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.2 Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.3 Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

LAPFF defines materiality first and foremost according to existing legal standards and based on input from LAPFF members that a particular ESG issue is relevant to their investments. Independent sources such as respected media reports and input from affected stakeholders, such as community groups, trade unions or workers, also help to inform whether an ESG issue is material and are built into the research and analysis process, and the final product.

| | | | |
|---------------|------------------|---------------|--------------------|
| RDP 04 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

RDP 04.1 Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

| | | | |
|---------------|------------------|---------------|--------------------|
| RDP 05 | Mandatory | Public | Descriptive |
|---------------|------------------|---------------|--------------------|

RDP 05.1 Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.

Type of indicators

- Balancing quantitative and qualitative indicators

Explain your approach

LAPFF believes that quantitative data is important but to be fully understood must be accompanied by qualitative data to provide a context in which to interpret the quantitative information. Therefore, companies are assessed both in terms of the numbers they provide and the explanations they use to explain their numbers.

- Balancing management/process oriented indicators and performance indicators

Explain your approach

LAPFF believes that governance is a vital aspect of successful ESG practice. However, if a company's performance is not adequate, this might be an indication that there are governance concerns, and vice versa. Therefore, these two types of indicators are used to check and reinforce each other in LAPFF research.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating

Explain your approach

LAPFF uses prior meeting notes and financial performance to assess whether a company's ESG performance is improving or deteriorating.

- Balancing environmental, social and governance indicators

Explain your approach

LAPFF has work streams in all of the E, S and G areas and, in deciding on how to engage with a company, will assess whether only one or all three of these areas need to be addressed.

- Balancing self-reported and public data

Explain your approach

LAPFF refers to company annual reporting in conducting research prior to engagement meetings but also searches media to determine whether self-reporting matches societal views of the company.

- Other, specify (1)
- Other, specify (2)
- None of the above

RDP 05.2

Additional information. [OPTIONAL]

PIRC Ltd acts as the research and engagement partner to LAPFF and is therefore responsible for ensuring a balanced approach to the research methodology. When a specific responsible investment issue or more general ESG theme is identified within a sector or at a particular company PIRC will draft a paper outlining and contextualising the issue in greater depth. The methodological approach to this stage of the research is not rigid and does not follow a strict procedure. However, the key principles of quality, integrity and transparency underpin this stage of the research process. After a scoping paper has been drafted identifying ESG concerns, further research is undertaken to identify specific companies. Quantitative rating tools are often employed at this stage to outline the worst performing companies in relation to the relevant ESG concern. This is followed by in-depth research carried out at a company specific level to determine how the company is performing against the issues raised by the original scoping paper. LAPFF is of the opinion that environmental, social and governance matters are all interconnected. Whilst a particular component may carry more weight depending on the engagement, a thorough assessment of a company's environmental, social and governance indicators is carried out during every phase of the research methodology.

LAPFF

Reported Information

Public version

Confidence building measures

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