



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	<p>Reason for Interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage 	

RI TRANSPARENCY REPORT

2018

The Scott Trust Limited (Guardian Media Group)

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 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 TG		✓	-							
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	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	🔒	n/a							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy 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	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

The Scott Trust Limited (Guardian Media Group)

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

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

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

OO 01.3

Additional information. [Optional]

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

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

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

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

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

OO 02.3

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

FTE

1500

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			946	213	500
Currency	GBP				
Assets in USD		1	277	856	058

OO 04.5 Additional information. [Optional]

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

OO 06	Mandatory	Public	Descriptive	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

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

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

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

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Total	100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- 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 factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- 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

Fixed income SSA – engagement

- 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 factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- 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 factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- 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 factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- 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 factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="571 342 1474 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 439 1294 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 479 1331 506"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 519 1310 546"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 560 948 586"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="571 656 1474 741">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 752 1294 779"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 792 1331 819"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 833 1310 860"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 873 948 900"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (financial)	<p data-bbox="571 969 1474 1055">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1088 1294 1115"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1128 1331 1155"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1169 1310 1196"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1209 948 1236"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="571 1305 1474 1391">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1424 1294 1451"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1464 1331 1491"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1505 1310 1532"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1545 948 1572"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="571 1641 1474 1727">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1738 1294 1765"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="571 1778 1331 1805"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="571 1818 1310 1845"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="571 1859 948 1886"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	

	<p>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Commodities	<p>Commodities - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Cash	<p>Cash - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input checked="" type="checkbox"/> We do not do ESG incorporation</p>

OO 11.4

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

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

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

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

Beyond this specific policy, the entire endowment is managed with a strong emphasis on ESG. We aim to be proactive and innovate here. For example, during the reporting year some notable activity was as follows:

- We moved our entire passive equity allocation to an innovative new ESG solution. This moves away from simple capitalization weighting, halving carbon emissions intensity versus the MSCI World index, eliminating 100% of exposure to owners of fossil fuel reserves, and doubling exposure to companies with green revenues. This is all combined with conventional smart beta factor tilts and is optimized for tracking error. While some existing pooled products offered some aspects of this, we worked with a manager to produce a new innovative solution during the period.
- We made a major new investment in an active manager whose entire firm is built around applying sustainability and proactive engaged ownership principles in a single global equity product. We are proud to support such ESG innovators.
- We engaged with major two hedge funds, leading to the creation of two new responsible investment share classes of existing products, and then invested in these.
- We invested in a new clean energy global equity fund that launched during the reporting period, supporting the creation of an innovative new product.

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

OO 12	Mandatory	Public	Gateway	General
OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.			
	Core modules			
	<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance			
	RI implementation via external managers			
	Indirect - Selection, Appointment and Monitoring of External Managers			
	<input checked="" type="checkbox"/> Listed Equities <input type="checkbox"/> Fixed income - SSA <input type="checkbox"/> Fixed income - Corporate (financial) <input type="checkbox"/> Fixed income - Corporate (non-financial) <input type="checkbox"/> Fixed income - Securitised <input type="checkbox"/> Private Equity			
	Closing module			
	<input checked="" type="checkbox"/> Closing module			

The Scott Trust Limited (Guardian Media Group)

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues

SG 01.3a CC	Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.
------------------------	--

Our investment strategy aims to be aligned with the transition to a lower carbon economy. In 2015, we announced our intention to both divest from fossil fuels over the medium term and invest proactively in strategies and sectors which are aimed at supporting the possibility of a lower carbon future. The strategy therefore aims to both reduce risks related to this transition, and to invest in opportunities from leading low carbon technologies.

We also focus on ESG integration and sustainability since these strategies aid this alignment.

SG 01.3b CC	Describe how climate-related risks and opportunities are factored into your investment strategies or products.
------------------------	--

We factor climate-related risks and strategies into our investment strategies or products.

We have taken numerous steps to align the portfolio and strategy on this basis. Examples include:

- Divesting from fossil fuels over the medium term.
- Shifting passive equity to low carbon / ex fossil fuels index.
- Shifting active equity to fossil fuel free and low carbon active managers focussing on sustainable businesses.
- Invest in a private renewable power fund.
- Invest in a public clean energy fund.
- Invest in new ex-fossil fuel share classes of existing products.

We do not factor climate-related risks and strategies into our investment strategies or products.

Other RI considerations, specify (1)

Other RI considerations, specify (2)

SG 01.4	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.
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The majority of assets are held in a long-term fund, with long-term defined as a minimum of ten years. This aims to earn a specific real return over this period. It also aims to generate a return in excess of a customized benchmark reflecting the strategic asset allocation. A smaller medium term fund is invested in more liquid assets with a shorter time horizon.

The strategic asset allocation should reflect an appropriate balance of the Scott Trust's investment objectives, risk tolerance and need for liquidity.

The Scott Trust believes that long-term sustainable returns are dependent on stable, well-functioning and well governed social, environmental and economic systems, and as such ESG considerations are fully integrated in the investment approach, in addition to the specific decision to divest from fossil fuels over the medium term and re-invest in solutions to a low carbon economy. Beyond this focus on climate change mitigation and adaptation, we also seek investments more broadly aligned with real world social and environmental norms since we believe these issues are both material and aligned with our own values.

SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
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Investment Policy Statement ("IPS"): this is the key investment policy document covering investment policy and specifically details Responsible Investment Policy.

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

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

Additional information on these key policy elements is given below:

Investment Policy Statement ("IPS")

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

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

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

Statement of Investment Principles ("SIP")

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

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

As a consequence, while taking due regard of the fund's primary duty of generating strong risk adjusted-returns, we believe that working to incorporate environmental, social and governance issues into investment analysis and decision-making processes is important. GMG also believes that the incorporation of these issues in analysis may positively impact financial returns over the long term.

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

The SIP was also updated following the significant public announcement in April 2015 of our intention to divest from fossil fuels over the medium term and to invest proactively in strategies which are aimed at supporting the possibility of a lower carbon future. This decision is based on two principles - a belief this it is incumbent on us all to protect the environment for future generations; and concern that carbon reserves may become stranded as policymakers take a more proactive stance against climate change.

Application of Responsible Investment in the Portfolio

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

- **UN PRI** - proactively pursue commitments under UN PRI.
- **Engagement** - we will engage with our investment managers on all aspects responsible investment. We aim to improve behaviour in the investment industry, disclosure and the provision of new sustainable and responsible investment products. We are also developing our own collaborations, in order to engage with portfolio companies directly. We have joined both ShareAction's Charities

Responsible Investment Network (CRIN) and the Institutional Investors Group on Climate Change (IIGCC).

- **ESG integration** - we aim to invest in managers taking a proactive approach to integrating ESG in a material way in their investment process. Substantial re-allocations were made during the period to managers with a clear focus here. Given this progress, during the reporting period we raised our target, expecting the majority of our assets over the medium term to be invested with proactive managers showing real leadership on ESG integration.
- **Divestment** - our investment fund has pledged to divest from fossil fuels over the medium term
- **Proactive Investments** - we are seeking to invest in solutions for a sustainable and low carbon economy. For example, during the period we helped to seed a new thematic public equity fund investing in clean energy and energy efficiency.

During this reporting period, recognizing the growing availability of investment opportunities offering commercial rates of returns while also having a positive impact, we broadened the scope of our proactive investments pillar, and will target broader social and environmental impact as well as solutions to a low carbon economy. For example, we have recently committed to invest in a venture capital fund investing in solutions to dementia.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

URL/Attachment

URL

URL

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

Attachment (will be made public)

Sector specific RI guidelines

Screening / exclusions policy

We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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Your investment objectives that take ESG factors/real economy influence into account

Time horizon of your investment

ESG incorporation approaches

Climate change and related issues

URL/Attachment

URL

URL

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

Attachment

We do not publicly disclose any investment policy components

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

Yes

URL

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

No

SG 02.4 Additional information [Optional].

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

While not a formal policy, our Endowment Fund report also contains a large amount of information on our responsible investment policy and activity. It can be found on the link below:

<https://www.theguardian.com/the-scott-trust/2015/jul/23/the-scott-trust-financials>

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

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

No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

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

SG 05.2

Additional information. [Optional]

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

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

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

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

Key performance indicator

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

Progress achieved

Improved monitoring on portfolio ESG characteristics has improved communication and transparency. Staff briefings on progress lead to communication of this work beyond the investment staff. A new endowment fund report during the period provided new levels of communication to stakeholders.

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

Key performance indicator

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

Progress achieved

We have continued to engage with managers with a view to changing behaviour and driving innovation in the ESG space. For example, during this reporting period we:

- Led an exercise which led to the creation of two new fossil fuel free hedge fund share classes
- Supported and refined new innovative approaches to passive low carbon equity investing.
- Acted as an early investor supporting a new clean energy global public equity thematic ESG fund.
- Engaged with managers over voting and engagement reporting transparency
- Improved visibility on the ESG and RI characteristics of the portfolio as below helps inform this activity.

Improved ESG incorporation into investment decision making processes

Other, specify (1)

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

Key performance indicator

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

Progress achieved

Further substantial reductions in fossil fuel exposure were achieved during the reporting period in keeping with the medium term plan. We made new fossil fuel free commitments to listed equity, private investments and hedge funds. Our key segregated fixed income fund is already divested. Specifically in public equity we funded a low carbon passive solution, and invested with a leading sustainable active manager showing leadership on ESG issues.

We also made progress on the objective to invest in proactive solutions to a low carbon economy, notably a new commitment to a thematic clean energy fund. We also tilted our low carbon passive towards companies with green revenues, doubling exposure here.

We continue to have dialogue with investment managers to change behaviour drive new product creation for sustainable investments promoting a low carbon economy. As an example, during the reporting period we gave feedback during the design phase for a new thematic clean climate change fund. Based on our engagement, the manager refined their clean energy investable universe and made the fossil fuel exclusion clearer and more transparent.

Other, specify (2)

other description (2)

Broaden the scope of proactive investments.

Key performance indicator

Find positive impact investments beyond those aligning with low carbon economy that also meet financial objectives.

Progress achieved

We set new targets for proactive investment. We evaluated new managers. For example, this work during the reporting period led to a subsequent commitment to a venture fund looking to fund solutions for dementia. It also led to a commitment to a private infrastructure manager investing in a very broad range of sustainable infrastructure sectors which may lead to an equally broad range of positive environmental and social outcomes.

- Other, specify (3)

Financial performance of investments

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

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio

Key performance indicator

We aim to increase the portion of the portfolio held by managers meaningfully integrating ESG and show higher ESG ratings.

Progress achieved

Analysis during the period included both manager level information (ESG and responsible investment policies etc.), and detailed analysis of the underlying holdings of our portfolio held via external managers - this latter work involved carbon emission footprinting and ESG ratings using 3rd party ESG analytical tools on all three pillars. This data showed continue progress, with these ratings reflecting the continued switch into strategies integrating ESG.

- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Support RI initiatives and proactively pursue UN PRI commitments

Progress achieved

We completed our first full reporting period as members and supporters of the work of ShareAction and Institutional Investors Group on Climate Change (IIGCC).

- Encouraging others to join a RI initiative

Key performance indicator

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

Progress achieved

We continue to give exposure to key RI initiatives around ESG, fossil fuel divestment and investment transparency. Examples:

<https://www.theguardian.com/environment/2017/sep/18/green-finance-taskforce-business-investment-clean-energy-infrastructure>

<https://www.theguardian.com/environment/2017/dec/18/boost-for-fossil-fuel-divestment-as-uk-eases-pension-rules>

<https://www.theguardian.com/nab-more-that-matters/2017/jun/27/shared-value-how-business-is-stepping-up>

<https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>

- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - CFO**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Portfolio managers
 - ESG portfolio manager
 - Investment analysts
 - Dedicated responsible investment staff
 - External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investor relations
 - Other role, specify (1)
 - Other role, specify (2)

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The Board and Investment Committee oversee responsible investment activity and progress, which is implemented by the Head of Investments and investment staff.

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

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

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

Number

0

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

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.1 CC	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.
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	Roles present in your organisation
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- Board members or trustees
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Other Chief-level staff or head of department, specify
 - Head of Investments**
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
 - Portfolio managers
 - ESG portfolio manager
 - Investment analysts
 - Dedicated responsible investment staff
 - External managers or service providers
 - Investor relations
 - Other role, specify (1)
 - Other role, specify (2)

SG 07.1a CC	For the board level roles or for which you have climate-related issues oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The organization has made the key decision to implement a fossil fuel divestment policy, reducing exposure to fossil fuels and to adding exposure to low carbon solutions in the portfolio.

This policy is critical executed through the endowment's entire manager selection and monitoring process, overseen by the board, and investment committee.

SG 07.1b CC	For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.
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To implement the above divest-invest policy driving alignment on climate-related issues, external managers are selected and monitored with this as a critical parameter. The Head of Investments plays a key role here, considering climate alignment alongside the financial objectives of the endowment. External consultants assist management in selection and monitoring of managers, providing manager searches meeting climate-related criteria, assisting in our efforts to encourage and seed new climate-aware products and behaviours in the investment industry, and monitoring climate related exposures on an ongoing basis (e.g. risk such as emission and fossil fuel reserves).

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)

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

- Basic
- Moderate
- Advanced

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

We joined this exciting initiative just before this reporting period and remained active members in 2017.

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Charities Responsible Investment Network (ShareAction)

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

- Basic
- Moderate
- Advanced

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

The Scott Trust joined this organisation just prior to this reporting period and remained an active member through 2017.

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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

1. Broad and extremely active advocate of responsible investment and transparency in public debate and in the media as per below.
2. Endowment directly seeks greater transparency and disclosure from industry, and has directly seeded new products addressing such needs.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

Broad and extremely active advocate of responsible investment at events and conferences as per detail below.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

Description

We have promoted the UN PRI on our website and in our own Endowment Fund Performance Report during the period. For example:

<https://www.theguardian.com/sustainable-business/2014/aug/22/responsible-investors-unpri-listed-companies-survey>

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description

Our own media platforms are leading global promoters of responsible investment : The Guardian and Observer newspapers, websites and apps.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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As a high profile media organisation and publisher of The Guardian and Observer newspapers and websites, we have been a high profile advocate of responsible investment. We have used this global platform to promote support for the fossil fuel divestment movement and to influence behaviour of other asset owners, investment managers and companies. We have published numerous articles promoting responsible investment.

Our own decision to divest from fossil fuels is in keeping with the aim to promote responsible investment and also reflects our broader values. At the time of making the decision to divest from fossil fuels, our fund was the largest known fund to publically state its intention to divest, and we have continued to use our media platform to promote climate change awareness in responsible investment and the importance of actions to curb fossil fuel use. New examples during the reporting period:

<https://www.theguardian.com/environment/2017/dec/18/boost-for-fossil-fuel-divestment-as-uk-eases-pension-rules>
<https://www.theguardian.com/environment/2017/sep/18/green-finance-taskforce-business-investment-clean-energy-infrastructure>

<https://www.theguardian.com/environment/2017/may/15/top-uk-fund-manager-divests-from-fossil-fuels>

<https://www.theguardian.com/business/2017/dec/15/invest-solar-energy-energise-frica>

During the period, a very notable example of promotion of responsible investment was our lead role in the "Paradise Papers" exposé, exposing certain practices and calling for greater transparency and fairness in global finance and offshore investment.

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

We also led many campaigns around business ethics in relation to numerous social and environmental and governance issues.

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

As a large asset owner aiming to take a proactive stance on sustainable investing we also aim to change the mind-set and behaviour of investment managers and promote a responsible investment agenda more generally.

Some examples of this during the reporting period are given below:

- We were an early founding investor in a new clean energy fund.
- We funded a new customized global passive equity product with zero exposure to fossil fuel producers, very reduced carbon emissions and increased exposure to companies with green revenues.
- Our engagement led to the creation of two new fossil fuel free hedge fund share classes.
- We encouraged and requested transparency on engagement, voting and responsible investment activities from our managers. This activity led to workplans to drive improvement.
- We further re-allocated active equity positions towards managers meaningfully integrating ESG and pursuing responsible investment activities, making clear these were key factors in the selection and diligence process, and encouraging maximum transparency from the chosen manager on their approach to ESG.
- Our feedback during the reporting period drove revisions to the sustainable investment policy for a new climate change aligned equity fund launch, formalizing fossil fuel exclusion. After the period, we committed to invest in this new product, and are acting as the initial seed investor for the vehicle designed for European investors.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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- Yes
- Yes, individually
 - Yes, in collaboration with others

SG 11.2 Select the methods you have used.

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

SG 11.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Dialogue with public policy makers occurs at both a corporate and journalist level in our organisation. We recognize that our unique position and global reach allows numerous positive interactions at many levels. Many of these are detailed on our new websites and in our newspapers.

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

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

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

SG 12.2 Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

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

Asset class

- Listed Equity (LE)
- Other asset classes

SG 12.3

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

- Responsible investment is considered when evaluating investment consultants' investment beliefs, strategies and policies in the selection process.
 - Responsible investment is considered when evaluating investment consultants' public commitment to, and promotion of, responsible investment in the selection process.
 - Responsible investment is considered when reviewing investment consultants' approach to investment manager ratings, research and recommendations in the monitoring process.
 - Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with the investment consultants.
 - We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.
- We use investment consultants in our monitoring of external managers

Asset class

- | |
|---|
| <input checked="" type="checkbox"/> Listed Equity (LE)
<input checked="" type="checkbox"/> Other asset classes |
|---|

SG 12.3

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

- Responsible investment is considered when evaluating investment consultants' investment beliefs, strategies and policies in the selection process.
 - Responsible investment is considered when evaluating investment consultants' public commitment to, and promotion of, responsible investment in the selection process.
 - Responsible investment is considered when reviewing investment consultants' approach to investment manager ratings, research and recommendations in the monitoring process.
 - Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with the investment consultants.
 - We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.
- We do not use investment consultants for selection, appointment and monitoring of external managers.

SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development

Describe how responsible investment is incorporated

Our consultant assists the Head of Investment and the Investment Committee in developing and refining a workable investment policy meeting both our responsible investment and financial objectives.

- Strategic asset allocation

Describe how responsible investment is incorporated

RI/ ESG is vital to SAA considerations and the work of our consultant here. For example, our entire asset allocation aims to align with climate change metrics while meeting long term strategic objectives.

- Investment research

Describe how responsible investment is incorporated

Our consultant incorporates RI and ESG analysis into their investment research work for us. This assists in the identification and ongoing monitoring of external managers for compliance with our RI objectives. RI/ESG criteria in the selection, appointment and monitoring of external managers and as a key screen in all manager searches. Detailed monitoring of managers for potential fossil fuel exposure is undertaken. Broader ESG criteria are monitored (e.g. emissions, ESG ratings, voting/engagement).

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 13.1 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 consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

Manager selection and monitoring focusses on identifying managers that will comply with our investment policy and the time horizons within it. We recognize that material ESG (and other) issues present risks on multiple time horizons. Sustainable investment strategies aim to reduce these risks. We therefore consider risks over different time horizons and the external manager's approach to considering these risks when allocating and monitoring assets. Alignment with our beliefs aims to reduce risks, as our organization is focused on sustainable business activities. This is made clear in our Statement of Investment Principles.

Monitoring considers manager level attributes (e.g. how they integrate ESG and engage with corporates to mitigate risk) and monitoring of underlying holdings and the risks these exposures represent (ESG ratings). Detailed monitoring is done on other risk factors beyond ESG. Our consultant assists

**SG 14.1
CC**

Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

The sole purpose of the Scott Trust and its endowment is to secure the financial and editorial independence of the Guardian in perpetuity. We believe that climate risks and opportunities are material to this purpose across multiple time horizons. Our own unique media platform has done much to determine these risks and our beliefs are fundamental to our view on climate risk.

Our investment policy, divesting from fossil fuels over the medium term while re-investing in solutions to a low carbon economy aims to mitigate these risks and benefit from opportunities. We track climate related risk across our investment portfolio, for example carbon emissions, environmental ratings, and exposure to fossil fuel reserves. This gives clear risk exposures which we expect to fall over time. We actively seek managers giving us exposure to opportunities - one long-time horizon example is a private fund investing in renewable infrastructure

Identifying managers not actively thinking about climate risks and opportunities is a key process. We then seek to replace them with leading managers integrating these and other ESG considerations. We have been doing this materially since we developed a clear climate risk policy in 2015.

SG 14.2

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 and related issues

**SG 14.2a
cc**

Please describe how you define "short", "medium" and "long term", and describe your material climate-related issues over these time horizons.

	Definition	Description of material climate-related issues
Short term	Less than five years	Divestment of fossil fuels, re-investment in low carbon solutions.
Medium term	Five to ten years	Opportunities: e.g. ten year private renewable infrastructure funds. Threats to traditional energy demand and high emission business models. Disruption from climate change and extreme weather events
Long term	Periods of at least ten years, encompassing multiple economic and market cycles	Widespread materiality of climate change risks and opportunities (Direct and indirect) across all asset classes.

SG 14.3

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

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

- None of the above

SG 14.4

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

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.4a
CC**

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Carbon footprint (scope 1 and 2)	We have assessed the carbon footprint across external managers where we have visibility in underlying holdings and data	Monitor progress on lower portfolio emissions and identify risks in individual strategies	Weighted Average Carbon Intensity, or Carbon Emissions per \$ million invested	Third party analytical tools to assess holdings.	The metric has trended down during reporting period as we have invested in low carbon products.	Lack of disclosure from some external managers on all holdings. Lack of data for companies in private equity investments.

SG 14.6

Additional information [Optional]

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

SG 14.7 CC	Describe your risk management processes for identifying, assessing, and managing climate-related risks.
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Our process for climate-related risks is integrated into overall risk management

Please describe

As per SG 14.1 CC, consideration of climate change risk is fully integrated in the overall risk management of our endowment.

Our process for climate-related risks is not integrated into our overall risk management

SG 14.8 CC	Describe your processes for prioritising climate-related risks.
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Divest from fossil fuels over the medium term. This prioritises climate risk in all manager selection and monitoring decisions.

More broadly, we use our unique journalistic platform to prioritise climate-related risks in many areas.

SG 14.9 CC	Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?
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Yes

Please describe

- We are members of the Institutional Investors Group on Climate Change (IIGCC) and support their engagement activities with companies.
- As a large climate-aware asset owner, with a high profile and public divestment policy, we pro-actively work to promote better practices and disclosure in our investment managers. For example we have seeded new climate aware funds promoting better practices around climate-related risks. In doing so we aim to exert pressure down the value chain to the corporates these large managers engage with.
- This is done extensively through our media platform - the Guardian and Observer websites and apps. Please see the detail provided in SG 10.3.

No, we do not engage

SG 14.10 CC	Describe how you use data from climate-related disclosures.
------------------------	---

- We have used data to help create new climate-aware products. For example, during the reporting period, data made us aware of the climate risks in two hedge funds with significant energy holdings. Our engagement led to the creation of new share classes avoiding this exposure.
- We have used positive data to select managers providing solutions. We recently used data around emissions a new environmentally themed European private equity manager. More generally, we have consistently selected new managers with lower climate risk.
- Improved disclosure data allows us to find new innovative solutions. For example we used better climate data to tilt our passive global equity exposure. Working with a manager focusing on climate-aware products, the solution reduces emissions by 50% versus the world index, removes all exposure to fossil fuels and balances this divestment with investment in climate solutions: the product has a +100% tilt towards green revenues (alternative energy, energy efficiency, green buildings, pollution prevention, sustainable water).

- On the other hand we have used fossil fuel and emissions data to sell investments not climate aligned and re-invest in strategies such as the examples above.

SG 15	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 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

21.7

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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Clean technology (including renewable energy)

	Asset class invested
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- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

During the period we committed to a new public equity clean energy thematic strategy. We were a key anchor investor for this new fund and had input into the design on key ESG issues.

We also committed to a low carbon emission and fossil fuel free passive equity strategy that tilts towards green revenues (alternative energy, energy efficiency, green building, pollution prevention & sustainable water)

This is in addition to a private commitment to a renewable power infrastructure fund.

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

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment

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

- Water
- Other area, specify
Specialist sustainable public equities investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Commodities
- Hedge funds
- Cash
- Other (1)

Brief description and measures of investment
--

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

For example, a new allocation was made during the period to a sustainably themed global equity fund run by a boutique 100% dedicated to sustainable investing and engaged long term ownership.

In addition to the figure above, other managers deeply integrate ESG without being overtly thematic.

No

Asset class implementation not reported in other modules				
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SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	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
Fixed income - SSA	<p>Fixed Income - Covering all sub-classes</p> <p>We note that many ESG and responsible investment initiatives focus on equities. We believe ESG issues are material for fixed income, including for SSA. Therefore, working with our consultant we undertook a specific project having monitoring calls or meetings with all non-passive fixed income managers in the long term fund specifically dedicated to discussing ESG integration and responsible investment. All managers held in this reporting period have gone through this process.</p> <p>Specific attention was given to reviewing how managers' approaches differ between SSA and Corporate debt, and how approaches more broadly differ from those of equity managers, in terms of data/scoring, materiality, restrictions, time horizons and engagement. We were encouraged by the focus on ESG and interesting innovations of active managers in the fixed income space.</p> <p>This was in addition to the other selection and monitoring work incorporating ESG in detail. Fixed Income manager must comply with our RI/ESG principles in the same way as our equity managers. This includes our fossil fuel divestment targets.</p>
Fixed income - Corporate (financial)	As above
Fixed income - Corporate (non-financial)	As above
Fixed income - Securitised	As above
Private equity	<p>The ESG attributes of investments are key as we build out the Private portfolio and we conduct ESG analysis on all new potential private investments. This is a key asset class where we can find proactive investments for a low carbon economy - e.g. sustainable infrastructure including renewables.</p> <p>We focus on both the environmental and social impact of investments and many of the proactive impact investments opportunities are in the private space. During the reporting period, we focussed more on proactive impact in the private space. This diligence during the reporting period has led to three subsequent private investment fund commitments offering both attractive market returns and a positive impact. We recognize innovation in this space and are keen to be a leading asset owner supporting it.</p>
Commodities	<p>See below, section SG 17.2</p> <p>This exposure currently only consists of a small allocation to physical gold bullion. Any new selection of commodities would be made in accordance with our responsible investment policies - for example our fossil fuel divestment policy and our focus on climate risk.</p>
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Select whether you use the PRI Hedge Fund DDQ </div> <p><input type="radio"/> Yes</p> <p><input checked="" type="radio"/> No</p>
Hedge funds	See below, section SG 17.2

	During the reporting period we had further dialogue with our hedge fund managers about ESG integration and climate risk. During the period this led to the creation of separate fossil fuel free share classes at two hedge funds, into which we invested.
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SG 17.2	Additional information.
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The degree of integration of ESG in the investment process of all our external managers is assessed as a key part of the manager selection and monitoring process. This includes in asset classes where we have smaller exposure. Given our policy to divest from fossil fuels over the medium term, such exposure is carefully monitored in these asset classes. It is also a key factor in the selection of new investments, as are broader ESG attributes, which are monitored both at fund level (e.g. voting policies) and by analysis of underlying investments.

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

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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We have been an early and significant adopter of a policy of fossil fuel divestment in a sophisticated and diversified portfolio. We also aim to go beyond exclusion and to invest proactively in strategies which support the possibility of a lower carbon future whilst not compromising investment returns.

This ongoing work is considering innovative low-carbon, resource efficiency and sustainable investment strategies across asset classes. Notably, we have been instrumental working with managers to create new products here. Driving better behaviour in the investment industry and facilitating the creation of new ESG products early can be catalytic for responsible investment generally.

We are also considering innovators in the field of social and environmental market-rate impact investing and placing more emphasis on this growing space.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
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SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
----------------	---

	Selection, Appointment and Monitoring
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Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.theguardian.com/the-scott-trust/2015/jul/23/the-scott-trust-financials

SG 19.2 Additional information [Optional]

The Scott Trust Endowment Fund performance report gives asset class specific information to the public on our investments over time. It also gives key examples across asset classes of investments meeting our ESG criteria. This is addition to disclosures on policy detailed in the earlier SG 02 section.

The Scott Trust Limited (Guardian Media Group)

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

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

Passive investment strategies

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

SAM 01.2

Additional information. [Optional]

Regarding SAM 01.1, all assets over the medium term will screen out fossil fuel exposure and new investments are made with this condition. Screening is therefore a policy being implemented over time rather than a current requirement.

Selection

SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
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	LE								
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>								
ESG incorporation requirements	<input checked="" type="checkbox"/>								
ESG reporting requirements	<input checked="" type="checkbox"/>								
Other	<input checked="" type="checkbox"/>								
No RI information covered in the RFPs	<input type="checkbox"/>								

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

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

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

	Strategy
--	----------

	LE								
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>								
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>								
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>								
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>								
Assess the ESG definitions to be used	<input type="checkbox"/>								
Other	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

ESG people/oversight

	LE								
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>								
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>								
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>								
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>								
Other	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

Process/portfolio construction/investment valuation

	LE								
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>								
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>								
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>								
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>								
Review and agree manager's ESG risk framework	<input type="checkbox"/>								
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>								
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>								
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>								
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>								
Other, specify	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

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

SAM 02.4

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

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

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

We assign a bespoke ESG score considering ESG integration and alignment with our responsible investment policy. Compliance with our fossil fuel divestment policy, and the broader issue of alignment with energy transitions, is set as a key condition of selection of all new external managers, so their exact position is assessed and scored. We may also use third party ESG analytics to analyse/score ESG attributes.

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
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SAM 03.1 Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

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

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure that voting outcomes feed back into the investment decision-making process	<input type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 03.2

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

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.3

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

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

Appointment

SAM 04

Mandatory

Public

Core Assessed

PRI 1

SAM 04.1

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 and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

SAM 04.2

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

Asset class

- Listed equity (LE)

Benchmark

- Standard benchmark
- ESG benchmark, specify

Customized ESG benchmark tilting world equity index to lower carbon emissions, higher green revenues and zero fossil fuels

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify

Zero Fossil Fuels - specified in IMA. Emission reductions must meet target specified in IMA

- ESG integration, specify

Separately managed account designed specifically for our own ESG requirements, which are specified in the investment management agreement contract. As well as excluding all exposure to fossil fuels, the bespoke benchmark targets a 50% carbon emissions reduction and a 100% increase in exposure to Green Revenues, whilst limiting tracking error to the broader standard global benchmark.

- Engagement, specify
- Voting, specify
- Voting policy in Investment Management Agreement (IMA)
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

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

SAM 04.4 Indicate 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
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 04.5 Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

The majority of listed equity investments are held in pooled funds, where the assessment of ESG and responsible investment is made at the selection (and later monitoring) stage, with appointment documentation more necessarily based on the standard terms of the pooled fund.

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

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

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

Monitoring

SAM 05	Mandatory	Public	Core Assessed	PRI 1
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SAM 05.1 When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE								
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>								
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>								
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>								
ESG portfolio characteristics	<input checked="" type="checkbox"/>								
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>								
Information on any ESG incidents	<input checked="" type="checkbox"/>								
Metrics on the real economy influence of the investments	<input type="checkbox"/>								
PRI Transparency Reports	<input type="checkbox"/>								
PRI Assessment Reports	<input type="checkbox"/>								
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>								
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

SAM 05.2

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

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

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

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

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

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

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

SAM 06	Mandatory	Public	Additional Assessed	PRI 1
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SAM 06.1	When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls
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Engagement

	LE				
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>				
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>				
Information on any escalation strategy taken after initial unsuccessful dialogue	<input type="checkbox"/>				
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>				
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>				
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

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

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

We have also actively engaged with external managers during the period whose reporting, policy or activity on voting or engagement could be improved.

SAM 07	Mandatory	Public	Core Assessed	PRI 2
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SAM 07.1

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

Votes cast (to the nearest 5%)

	%
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95.1

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

SAM 07.3

Additional information [OPTIONAL]

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

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

Outputs and outcomes

SAM 08	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

Measures

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

- Move assets over to investment managers with better RI practices

Measures

This is an ongoing process, involving selection based on ESG integration, responsible ownership practices by external managers, fossil fuel divestment and proactive investment in sustainable solutions to the low carbon economy. We moved substantial assets to managers with better RI practices during the period

- Other, specify

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

Measures

We were a key anchor for the launch of an innovative new clean energy equity fund during the period and had input in specific policy safeguards on RI issues prior to launch. Our suggestions were incorporated by the manager. We also engaged with two hedge funds over their energy holdings during the period. In both cases, this constructive engagement led to the creation of a new RI share class. We invested in both new share classes during the period.

- None of the above

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1 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	Sustainable Global Equity - Selection of new thematic manager with best in class ESG integration, active ownership and transparency (voting and engagement) and performance
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
Scope and process	<p>(Conducted internal staff with assistance from consultants)</p> <p>Strongly believing in the materiality of sustainability for both financial returns and alignment with our principles, for the reporting period we set an objective to continue moving our holdings into managers showing leadership and innovation here.</p>
Outcomes	<p>During the period, the selection process led us to make a substantial new allocation to a specialist manager solely focussed on long term sustainability in global public equity.</p> <p>Their investment process is one of rigorous fundamental company analysis in which consideration of environmental, social, and governance (ESG) factors and the growing risks they may represent, adds rigor when looking at companies over a ten-year horizon. They have used this ESG lens to substantially outperform indexes and peers.</p> <p>We were particularly impressed with the significant emphasis on active ownership and constructive engagement when investing in companies on a path of improvement both in terms of financial and sustainability quality. There is strong quantitative evidence of the manager improving companies with this approach, driving tangible ESG improvements on a wide range of issues. The level of detail and transparency on active ownership provided to us as investors for monitoring is also truly exceptional.</p>

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

The Scott Trust Limited (Guardian Media Group)

Reported Information

Public version

Assurance

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.

Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM1 01.4

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 01.7

Mandatory

Public

Descriptive

General

CM1 01.7

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)