



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Type of engagement 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 ESG disclosure <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	
<p>Type of engagement Collaborative engagements</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 ESG disclosure <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements 	
<p>Type of engagement Service provider engagements</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 ESG disclosure <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider engagements 	

RI TRANSPARENCY REPORT

2016

BT Pension Scheme

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 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Additional information about organisation	✓	Private							✓
OO 11	RI activities for listed equities	✓	Public							✓
OO 12	RI activities in other asset classes	✓	Public							✓
OO 13	Modules and sections required to complete	✓	n/a							✓

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	RI goals and objectives	✓	Public							✓
SG 05	Main goals/objectives this year	-	n/a							✓
SG 06	RI roles and responsibilities	✓	Public							✓
SG 07	RI in performance management, reward and/or personal development	✓	Private							✓
SG 08	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09	Promoting RI independently	✓	Public				✓			
SG 10	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 11	ESG issues in strategic asset allocation	✓	Private	✓						
SG 12	Long term investment risks and opportunity	✓	Private	✓						
SG 13	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 14	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 15	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 16	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
SG 17	Innovative features of approach to RI	✓	Private							✓
SG 18	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						✓
SAM 06	Appointment considerations (LE and FI)	✓	Private				✓			
SAM 07	Monitoring processes (LE and FI)	✓	Public	✓						
SAM 08	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 09	Selection processes (PE, PR and INF)	🔒	n/a	✓						✓
SAM 10	Appointment considerations (PE, PR and INF)	🔒	n/a				✓			
SAM 11	Monitoring processes (PE, PR and INF)	✓	Public	✓						✓
SAM 12	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 13	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 14	Disclosure of RI considerations	✓	Public							✓

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

BT Pension Scheme

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the category which best represents your primary activity.

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

United Kingdom

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

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

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

FTE

46

OO 03	Mandatory	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	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

30/06/2015

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

	trillions	billions	millions	thousands	hundreds
Total AUM		43	000	000	000
Currency	GBP				
Assets in USD		64	999	193	355

OO 06

Mandatory

Descriptive

General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income	0	10-50%
Private equity	0	<10%
Property	0	10-50%
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	<10%

Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

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

Allocation of investments

	30 June 2015
Equities	32.6%
Property	10.5%
Alternatives	10.8%
Fixed interest	16.9%
Inflation-linked	25.9%
Cash	3.3%

Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1

Select your direct or indirect ESG incorporation activities your organisation implemented, for listed equities in the reporting year.

- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 11.2

Select your direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We require our external managers to engage with companies on ESG issues on our behalf
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 11.3

Select your direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 12

Mandatory

Gateway

General

OO 12.2

Select externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

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

BT Pension Scheme

Reported Information

Public version

Strategy and Governance

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Responsible investment policy

SG 01

Mandatory

Core Assessed

General

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 guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" 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 what norms have you used to develop your RI policy.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

OECD/G20 principles of corporate governance

- Other, specify (2)

other (2) description

ICGN Global Governance Principles

Other, specify (3)

other (3) description

FRC's UK Stewardship Code

None of the above

No

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide URL and an attachment of the document.

Policy setting out your overall approach

URL

<http://www.btpensions.net/156/responsible-investment>

Engagement policy

URL

<http://www.btpensions.net/153/frcs-uk-stewardship-code>

(Proxy) voting policy

URL

<http://www.btpensions.net/151/voting-disclosure>

We do not publicly disclose our investment policy documents

SG 03	Mandatory	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.

see annual report 2015 p15 for a description of how the Trustee Directors identify, manage and monitor any conflicts of interest <http://www.btpensions.net/41/scheme-report-and-accounts>

In addition BT Pension Scheme Management Limited (BTPSM), the Executive conducts its business according to the principle that it must manage Conflicts of Interests fairly and effectively both between itself and its Client - the BT Pension Scheme (the Scheme), and between the Scheme and other parties it deals

with. It aims to act professionally and independently at all times with the Scheme's best interests in mind, and takes all reasonable steps to: (i) Identify circumstances that may give rise to Conflicts of Interest entailing a material risk of damage to the Scheme's interests (ii) Establish appropriate mechanisms and systems to monitor and manage those conflicts.

No

Objectives and strategies

SG 04	Mandatory	Gateway/Core Assessed	General
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SG 04.1

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

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

Governance and human resources

SG 06	Mandatory	Core Assessed	General
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SG 06.1

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

Roles present in your organisation

- Board members or trustees
 - 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
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify
- Other role, specify

SG 06.3 Indicate the number of dedicated responsible investment staff your organisation has.

Number

1

Promoting responsible investment

SG 08	Mandatory	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 08.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Select all that apply**
- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

BTPS is a founding signatory to the PRI and continues to support various working groups including the fixed income and listed equity groups. We have informally and formally supported a number of PRI working groups including: fixed income, hedge funds and infrastructure. Through Hermes EOS we also actively use the PRI Clearinghouse.

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

The chair of the IIGCC is a BTPS trustee. BTPSM is actively involved in the policy working group and climate risk groups of the IIGCC. We engage policymakers to reduce potential portfolio risk from climate policy uncertainty.

- 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 Financial Action for the 21st Century
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

PLSA/NAPF

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]

BTPS works collaboratively with PLSA/NAPF on public policy engagements including the IORP II Directive.

- Other collaborative organisation/initiative, specify

UK pension funds roundtable

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

- Basic
- Moderate
- Advanced

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

We work as an informal group of UK pension schemes share best practice on responsible investment implementation.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
Calpers' ESG peer exchange

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

- Basic
- Moderate
- Advanced

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

We work together with some of the world's largest pension funds representing over \$1tn to identify and share best practice on ESG integration.

SG 08.2 Additional information. [Optional]

BTPS encourages its managers and service providers to collaborate via many of the initiatives outlined above for example Hermes Real Estate is an active participant and reports against the GRESB framework. This is the most efficient model for BTPS to avoid duplication of efforts yet still maintain relationships with these organisations. We monitor progress by asking our managers and service providers to report back on their work with these organisations and flag any areas BTPS might consider lending support to directly.

SG 09

Mandatory

Core Assessed

PRI 4

SG 09.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 09.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

Implementation not in other modules

SG 13

Mandatory to Report Voluntary to Disclose

Descriptive

PRI 1

SG 13.1

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

Yes

SG 13.2

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

% of total AUM

2

SG 13.3

Please specify which thematic area(s) you invest in and provide a brief description.

Area

- Clean technology (including renewable energy)

Asset class invested

- Listed equity
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Private equity
- Property
- Infrastructure

Brief description of investment

BTPS acts in the best interests of its members and invests in the low-carbon economy where the Scheme's long-term risk adjusted return requirements are met. To date dedicated investments have been made including but not exclusively as follows:

- £350million allocation to a specialist global renewable energy manager; and
- In 2011, BTPS and the UK Government seeded the Hermes GPE Environmental Innovation fund with £75million and £50million respectively making investments in UK-based, low carbon and clean technology funds.
- £100m in a FTSE-All share carbon optimized index

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No

SG 15	Mandatory	Descriptive	General
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SG 15.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	We evaluate the quality of private equity manager's approach to RI both in the selection phase and monitoring stage.
Infrastructure	We evaluate the quality of infrastructure manager's approach to R I both in the selection phase and monitoring stage.

BT Pension Scheme

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Public version

Indirect – Manager Selection, Appointment and Monitoring

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Overview

SAM 01	Mandatory	Core Assessed	PRI 4
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SAM 01.1 Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- Yes, we use investment consultants
- Yes, we use fiduciary managers
- No

SAM 01.7 Additional information [Optional].

We do not have an investment consultant on retainer. We use investment consultants on an ad-hoc basis. For example, following from its 2011 study, the Scheme again sponsored Mercer in 2015 to undertake a study on climate change and asset allocation.

SAM 02	Mandatory	Gateway	General
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SAM 02.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

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

SAM 02.2 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

1. Portfolio design: what outcome should the mandate achieve for the Scheme?
 - We ensure portfolios align with our RI mission statement& beliefs
 - Assess materiality of ESG factors for the investment strategy under consideration
 - Assess the degree of ownership rights and ability to add value post-investment
2. Manager selection: which managers can best deliver the desired outcome?
 - We evaluate how managers incorporate RI (where relevant) and generate a score for each area including: strategy; investment process; reporting; legal agreements.

3. Ongoing monitoring: is the mandate still fit for purpose?

- regular portfolio review meetings
- clear expectations on the depth and quality of RI reporting required
- review of manager ratings
- escalation to the trustee where appropriate

SAM 02.3 Additional information. [Optional]

Our focus on manager RI evaluation is based on three quality metrics:

Integration- RI embedded in the process

Consistency- application of RI consistent with strategy

Evidence -of examples and process documentation

Listed equity (LE) and Fixed income (FI)

Overview

SAM 04

Mandatory

Gateway

PRI 1,2

Appeal approved for this indicator

SAM 04.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE		Corporate (financial)	Corporate (non-financial)
Screening	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

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

Selection

SAM 05	Mandatory	Core Assessed	PRI 1-6
SAM 05.1	Indicate whether your organisation and/or your investment consultant typically do any of the following in the manager selection process for listed equity and/or fixed income.		
	General		

	LE	Corporate (financial)	Corporate (non-financial)	
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Review the manager's responsible investment reporting to clients and/or the public, (excluding PRI)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the type of ESG reporting you expect	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

ESG incorporation

	LE	Corporate (financial)	Corporate (non-financial)	
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess how the manager incentivises brokers to provide ESG research		<input type="checkbox"/>	<input type="checkbox"/>	
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Evaluate index providers' ESG incorporation when designing the index	<input checked="" type="checkbox"/>			
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Engagements

	LE	Corporate (financial)	Corporate (non-financial)
Discuss with the manager the historic interactions they have had with the investee entities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the comprehensiveness of managers' engagement processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in influencing investee entities' ESG practices and performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the escalation strategies the manager deploys in case of insufficient ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss how information gained through engagement is incorporated into investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other engagement issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Discuss the managers' voting processes	<input checked="" type="checkbox"/>
Discuss how information gained through research for (proxy) voting is used in investment-decision making	<input checked="" type="checkbox"/>
Discuss whether the manager is able to deploy the asset owner's proprietary voting policy or aligning its voting policy with the asset owner's investment beliefs and strategy	<input checked="" type="checkbox"/>
Other (proxy) voting issues in your selection process, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 05.2	Please describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.
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The Trustees delegate evaluation of ESG factors into investment decision-making processes to BTPSM who oversee the Scheme's investment managers. The evaluation of managers' RI policies and processes is led by BTPSM's Head of RI who has 10 years of experience across sustainable development and corporate governance in both private and public sectors. The Head of RI works across and collaboratively with an experience investment team including the Head of Manager Selection and Head of Portfolio Analytics.

Monitoring

SAM 07	Mandatory	Core Assessed	PRI 1
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SAM 07.1	Indicate whether your organisation and/or your investment consultant in the dialogue and monitoring of your external manager typically do any of the following.
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	General
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	LE	Corporate (financial)	Corporate (non-financial)
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss if the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss if the manager has acted in accordance with your organisation's overall strategy on responsible investment and ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss if the manager has acted in accordance with your organisation's overall policy on responsible investment and ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting (excluding PRI)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's PRI Transparency or Assessment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review ESG characteristics of the portfolio	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the impact of ESG issues on financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	Corporate (financial)	Corporate (non-financial)
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagements

	LE	Corporate (financial)	Corporate (non-financial)
Review the ESG information relevant to the engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the number of engagements and their comprehensiveness	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the type of role played (i.e. leading or supporting)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the outcomes and quantifiable impact of the engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Review the number or percentage of votes cast	<input checked="" type="checkbox"/>
Request an explanation of reasons for votes cast	<input checked="" type="checkbox"/>
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	<input checked="" type="checkbox"/>
Review the number of resolutions on ESG issues filed or co-filed	<input checked="" type="checkbox"/>
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	<input checked="" type="checkbox"/>
Other ways you monitor (proxy) voting activities, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 08	Mandatory	Core Assessed	PRI 2
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SAM 08.1 For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

We track or collect this information

Votes cast (to the nearest 5%)

%

100

Specify the basis on which this percentage is calculated

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

Private equity (PE), property (PR) and infrastructure (INF)

Monitoring

SAM 11	Mandatory	Core Assessed	PRI 1-6
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SAM 11.1 | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PR	
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	
Review manager's responsible investment reporting excluding PRI	<input checked="" type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input checked="" type="checkbox"/>	
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input checked="" type="checkbox"/>	
Other general aspects of your monitoring, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PR	
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>	
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PR	
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input checked="" type="checkbox"/>	
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>	
Request details of how ESG factors were considered when preparing to exit from investments	<input checked="" type="checkbox"/>	
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Communication

SAM 14	Mandatory	Core Assessed	PRI 6
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SAM 14.1 Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly

provide URL

<http://www.btpensions.net/156/responsible-investment>

SAM 14.2 Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- Yes

SAM 14.3 Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

- No

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

BT Pension Scheme

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

LEA 01	Mandatory	Core Assessed	PRI 2
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LEA 01.1 Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2 Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.3 Please attach or provide a URL to your engagement policy. [Optional]

URL

<http://www.btpensions.net/153/frcs-uk-stewardship-code>

LEA 01.4 Provide a brief overview of your organization's approach to engagement

see stewardship policy

No

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries these interactions out.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

LEA 05.2 Describe the criteria used to identify and prioritise collaborative engagements

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In reaction to ESG impacts which has already taken place
- As a response to divestment pressure
- Other, describe

No

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

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

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- No

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

- Yes

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

- Define timelines of the milestones and goals
 - Tracking, monitoring progress against defined milestones and goals
 - Establish a process for when the goals are not met
 - Revisit and revise if necessary the goals on continuous basis
 - Other, please specify
- No

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

LEA 07

Mandatory

Core Assessed

PRI 2,4

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes

LEA 07.2	Indicate what role you play in engagements that your service provider conducts on your behalf.
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- Discuss the topic (or ESG issue(s)) of engagement
 - Discuss the rationale for engagement
 - Discuss the objectives of the engagement
 - Select the companies to be engaged with
 - Discuss the frequency/intensity of interactions with companies
 - Discuss progress towards the engagement objectives
 - Monitor and review outcomes that have been achieved from the engagement
 - Discuss next steps for engagement activity
 - Participate directly in a sample of engagements with your service provider
 - Other, specify
- No

LEA 07.3	Additional information. [Optional]
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We provide strategic direction to EOS and oversee their activities. We provide input into their processes for setting objectives and prioritising themes and issues as well as their 3 year engagement plan. BTPSM's Head of Responsible Investment sits on EOS' advisory board and conducts formal annual and monthly reviews of the Scheme's stewardship services provider. EOS are also invited to present progress on material engagements to the Trustee Responsible Investment Oversight Committee.

LEA 08	Mandatory	Core Assessed	PRI 2,6
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LEA 08.1	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
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- Please select all that apply
- The subject (or ESG issue(s)) of engagement
 - The objectives of the engagement
 - The rationale for engagement
 - The frequency/intensity of interactions with companies
 - Progress towards achieving engagement goals
 - Outcomes that have been achieved from the engagement
 - Next steps for engagement activity
 - Other, specify
 - None of the above

General processes for all three groups of engagers			
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LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1

Indicate if insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Service provider engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10

Mandatory

Gateway

PRI 2

LEA 10.1

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

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

Communication

LEA 16

Mandatory

Core Assessed

PRI 2,6

LEA 16.1

Indicate whether your organisation proactively discloses information on its engagements.

We disclose it publicly

provide URL

<http://www.btpensions.net/152/engagement-reports>

LEA 16.2 | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 16.3 | Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

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

LEA 16.4 | Indicate how frequently you typically report engagements information.

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

(Proxy) voting and shareholder resolutions

Overview

LEA 17 | **Mandatory** | **Gateway** | **PRI 1,2,3**

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

Yes

LEA 17.2 | Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Securities lending process
- Other, describe
- None of the above

LEA 17.3 | Please attach or provide a URL to your voting policy. [Optional]

URL

<http://www.btpensions.net/151/323/voting-disclosure>

LEA 17.4 | Provide a brief overview of your organization’s approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

see policy for background. In relation to Hermes EOS, they undertake intelligent voting on our behalf according to our own proxy voting policy. This means that all proxies are voted in line with the individual circumstances of the company and the vote, rather than using a box-ticking approach or as a compliance driven activity. The vote is viewed as an annual governance health check and voting work is strongly linked with corporate engagement. The vote is not perceived as an end in itself but rather as a mechanism which precipitates further change where required. Hermes EOS files shareholder proposals in markets where it is relevant to do so, typically in Germany and the US, either as lead filer or as co-filer alongside other investors.

No

Process

LEA 18	Mandatory	Descriptive	PRI 2
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LEA 18.1 | Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf.

LEA 18.2 Additional information.[Optional]

Where appropriate we also delegate voting to investment managers which demonstrate strong capabilities.

LEA 19 **Mandatory** **Descriptive** **PRI 2**

LEA 19.1 Of the voting recommendations that your service provider made in the reporting year, indicate the percentage reviewed by your organisation, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

- >20%,
- 5-20%,
- 1-5%,
- <1%

Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Votes for companies with which we have an active engagement
- Other, explain

LEA 21 **Voluntary** **Additional Assessed** **PRI 2**

LEA 21.1	Indicate if your organisation has a securities lending programme.
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- Yes
- No

LEA 21.3	Please explain the rationale behind not having a securities lending programme
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BTPS are currently not actively participating in stock lending equities that are under our direct control although stock lending may occur in pooled investment funds.

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - Votes for companies we are engaging with
 - other, explain
 - Hermes EOS undertakes intelligent voting on our behalf according to our own proxy voting policy. see below
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 22.2	Additional information. [Optional]
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Where Hermes EOS has executed a vote against management on large holdings or otherwise high-profile companies, it seeks to follow up with the company either in writing to explain the reasons giving rise to a vote against and the steps that it would like to see the company take to rectify the issue. As necessary, Hermes EOS will look to engage with the company before the meeting to ensure that the issue giving rise to the vote against is addressed so that it can vote in line with management's recommendation, a vote 'for' management 'by exception,' in subsequent years. It may look to vote against management in a number of different scenarios. While it is difficult to provide a general description, typically this will be where a vote with management would not serve the best long-term interests of shareholders. This may be either in terms of remuneration or where there are insufficient skills on the board to take the company forward.

There may also be specific instances where a vote in favour of management would be actively detrimental to the company, for example in the case of a merger or acquisition. Hermes EOS rarely abstains on votes. In the very rare instances that it does consider abstaining, this may be because it is unable to vote with management - typically due to inadequate information being provided - but where a vote against management may appear unduly harsh. Hermes EOS always seeks to obtain the required information to make an informed voting decision but this may not always be possible.

Outputs and outcomes

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

We do track or collect this information

Votes cast (to the nearest 1%)

%

100

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

We do not track or collect this information

Communication

LEA 27	Mandatory	Core Assessed	PRI 2,6
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LEA 27.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<http://www.btpensions.net/151/voting-disclosure>

LEA 27.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 27.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

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

Indicate what level of explanation you provide

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

LEA 27.4

Indicate how frequently you typically report voting information.

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