

# Principles for Responsible Investment Reporting and Assessment Tool

## Individual Results August 2009

<b>Name</b>	London Pensions Fund Authority (LPFA)
<b>Type</b>	Asset Owners
<b>AUM (millions home currency)</b>	3,200
<b>USD millions</b>	4,665
<b>Signatory detail</b>	Non-corporate pension or superannuation or retirement or provident fund or plan
<b>Pension type</b>	Primarily defined benefit
<b>Complexity</b>	Moderately complex
<b>Region</b>	Europe
<b>Country</b>	UK
<b>AUM quartile</b>	Third largest quartile
<b>Sign year</b>	2007

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## Introduction

Thank you for participating in the third annual PRI Reporting and Assessment process. The Tool was designed to assist signatories in their efforts to report on progress under Principle 6, and also to provide a methodology for assessing the efforts of individual signatories as well as the progress of the overall PRI initiative. The full report with aggregate results is available at [www.unpri.org/report09/](http://www.unpri.org/report09/). This document conveys your organisation's results, based on scores calculated using the scoring methodology in the user manual. Individual scores are indicative and will be kept confidential.

Responses have been scored on a per-Principle basis, rather than on an overall basis. This removes the need to weigh or value the Principles in relation to each other, recognising that each approach to PRI implementation will reflect the varying needs of each signatory.

Because of the diversity in the signatory base and the different approaches to responsible investment involved, it was deemed important to score signatories for only the actions that are relevant to their fund and its objectives. Thus, only questions deemed applicable to the particular signatory were assigned points and counted towards the score for that Principle.

There were some questions within the Reporting and Assessment Tool that were not relevant to the assessment process and were therefore not assigned scores. Examples are as follows:

- The questions were informational and not PRI performance-based
- The questions asked for information that cannot be objectively assessed, but was nevertheless useful for building an understanding of signatories' experiences in implementing the PRI
- The question did not reflect actions directly associated with the PRI (e.g. the extent of ethical screening).

Your organisation's results can be found on the next few pages as calculated using the scoring methodology agreed upon by the PRI Assessment Group.

## Interpreting your results

This report presents PRI signatory scores for each Principle divided into four quartiles for three groups of respondents. Figure 1 indicates your score relative to all signatories, Figure 2 indicates your score relative to signatories that are the same type of signatory as your organisation (asset owners or investment managers) and Figure 3 indicates your score relative to signatories that are the same type of signatory as your organisation and based in the same region.

Below each figure a table is provided indicating which quartile your organisation is in for each peer group presented in the charts above. A green cell indicates your quartile ranking increased while a red cell indicates your quartile ranking decreased. The minimum number of signatories in your peer group for each year is also indicated.

In addition to these three charts, an appendix has been included which indicates your score relative to additional peer groups based on further criteria. Please note that due to the restricted universe resulting from the application of these further criteria, quartile charts are shown for the Principles where a significant number of signatories within each peer group provided responses. This is to ensure the confidentiality of signatory scores.

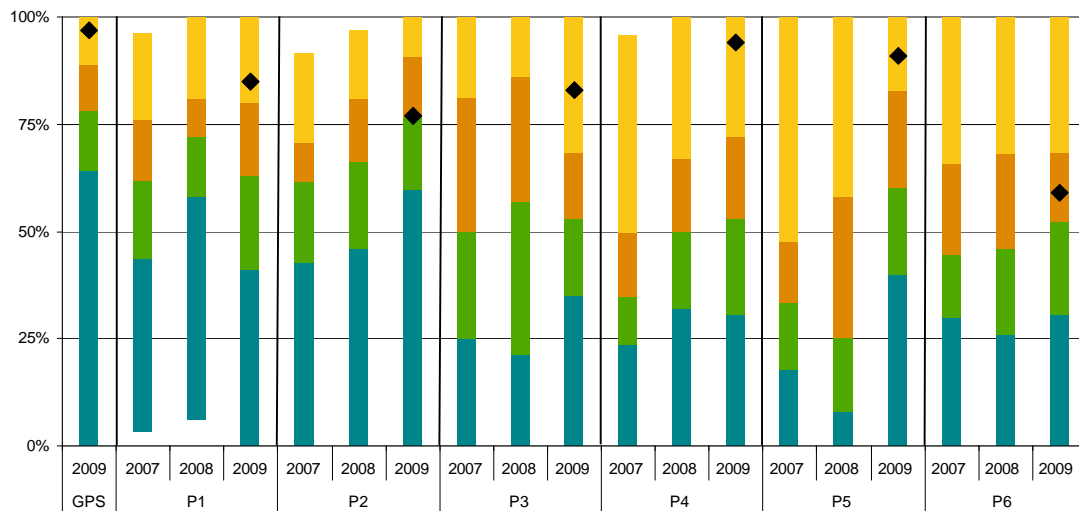
The four quartiles are each represented by a coloured segment of the bar chart. The top quartile (1) for each Principle is yellow and the bottom quartile (4) is blue. The top quartile may not reach 100% if no signatories in the peer group achieved a perfect score, while the bottom quartile may not reach 0% if all signatories in the peer group achieved a positive score. The median score is the horizontal line between the orange and green segments of the bar chart. The black diamond shows your organisation's scores for each Principle. The position of the black diamonds can tell you both which quartile your organisation is in and the relative position of your organisation within that quartile. If there is no black diamond for a Principle, your organisation did not respond that year or did not provide enough answers to meet the scoring threshold for that Principle (a score was not provided when there were a large number of 'not applicable' responses within a Principle).

Please note that Figure 5 has been omitted for signatories that did not classify themselves as either non-corporate pension or superannuation or retirement or provident fund or plan, or corporate pension or superannuation or retirement or provident fund or plan.

The PRI scoring methodology has been developed to attempt to represent your organisation's level of implementation of the Principles relative to your peers. However, the scoring methodology and specific questions have changed each year so scores year over year may not be directly comparable.

## Your results

**Figure 1. London Pensions Fund Authority (LPFA) and all PRI signatory scores**

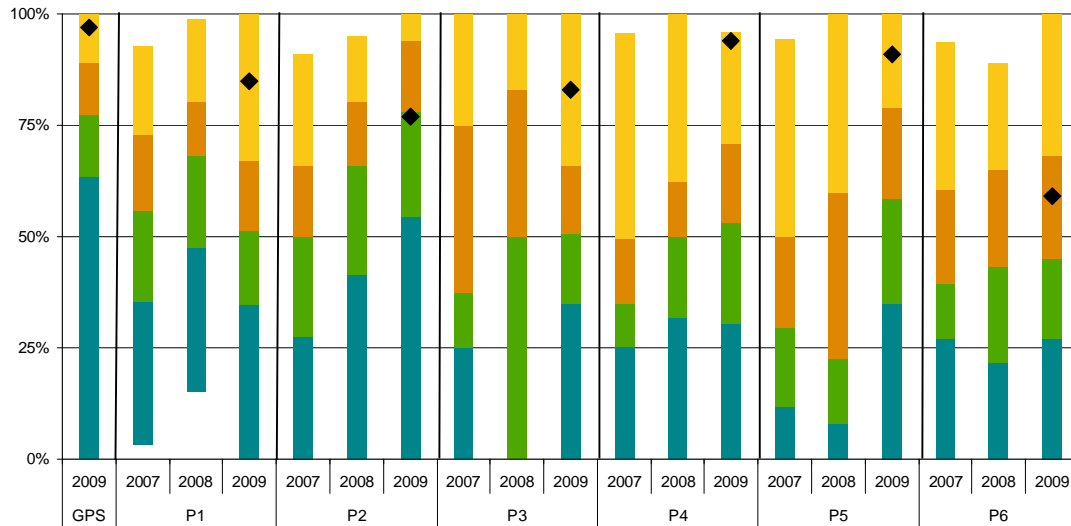


**Table 1. London Pensions Fund Authority (LPFA) quartiles relative to all PRI signatories**

	<b>GPS</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>Min. # peers</b>
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	81
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	157
<b>2009</b>	1	1	2	1	1	1	2	276

*(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking*

**Figure 2. London Pensions Fund Authority (LPFA) and PRI Asset Owners scores**

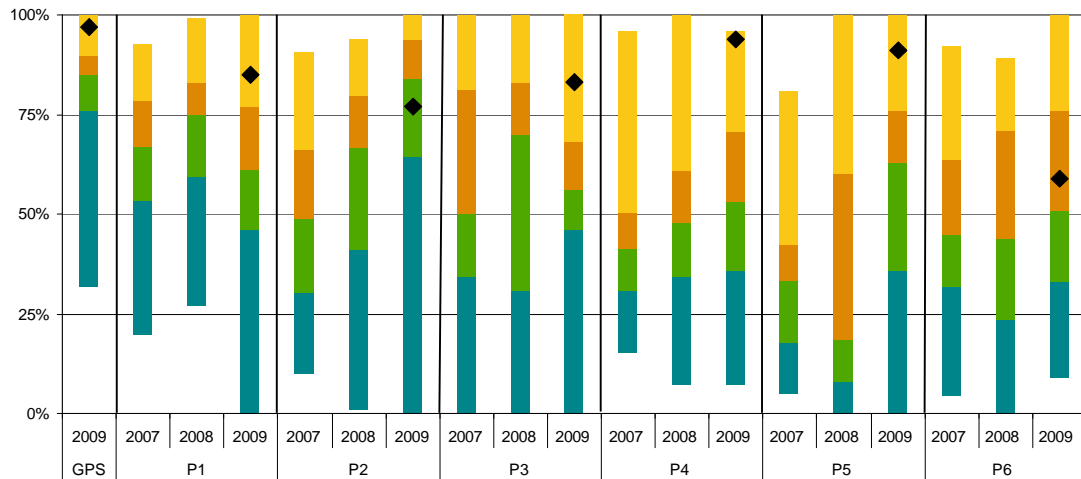


**Table 2. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	49
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	80
<b>2009</b>	1	1	3	1	1	1	2	123

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 3. London Pensions Fund Authority (LPFA) and PRI Asset Owners in Europe scores**



**Table 3. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners in Europe**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	20
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	38
<b>2009</b>	1	1	3	1	1	1	2	60

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

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## General PRI guidance for further implementation of the Principles

Principle-specific guidance may be found below to help you improve or expand your approach to PRI implementation. Guidance has been provided only for those principles where your score is below the median score of your signatory type (Figure 2.; asset owners or investment managers). If you score above the median in all Principles, you will not see any Principle specific guidance below. The advice is not necessarily comprehensive and it may not be applicable to all organisations. Each signatory should establish their own approach to responsible investment, and this may involve actions different from those listed below.

Additional implementation support can be found in the [PRI in Practice](#) section of the PRI Signatory Intranet (login: priintranet, password: pri28) and other PRI workstreams provide signatories with a range of additional information and suggestions to support implementation efforts.

### Principle 2

- Establish voting and engagement policies that address environmental, social and governance issues. Policies should outline expectations for companies and how active ownership responsibilities will be carried out.
- Ensure voting rights are exercised. The majority of weighted ballot items should be analyzed by internal staff, external investment managers, an external proxy voting service or an external engagement service provider and votes should be cast according to voting policies. Voting activities should be reported and monitored to ensure voting is undertaken in accordance to policy.
- Ensure portfolio companies are monitored by internal staff, external investment managers, or an external engagement service provider and engaged with when appropriate. When undertaking engagement, objectives should be set before engaging with companies and the outcomes of engagement efforts should be measured against these objectives.

For more ideas on how to implement Principle 2, please visit the PRI Engagement Clearinghouse and review the case studies on pages 26, 28, 30 and 33 in the [2009 Report on Progress](#).

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### **Mandatory disclosure language**

Should you wish to disclose your results externally, the following statement must accompany any reference to your quartile results or the presentation of the charts. In addition, signatories should not use the score for overt promotional purposes.

“Scores have been calculated based on signatories’ self assessment and using the scoring methodology approved by the PRI Assessment Group. Although a limited verification exercise was undertaken with a proportion of signatories, responses have not been independently audited by the PRI Secretariat, PRI Assessment Group, or any other third party. Individual results including comparisons to the overall results (quartiles) are indicative and do not imply an endorsement of signatory activity. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability can be accepted for any error, omission or inaccuracy in this information.”

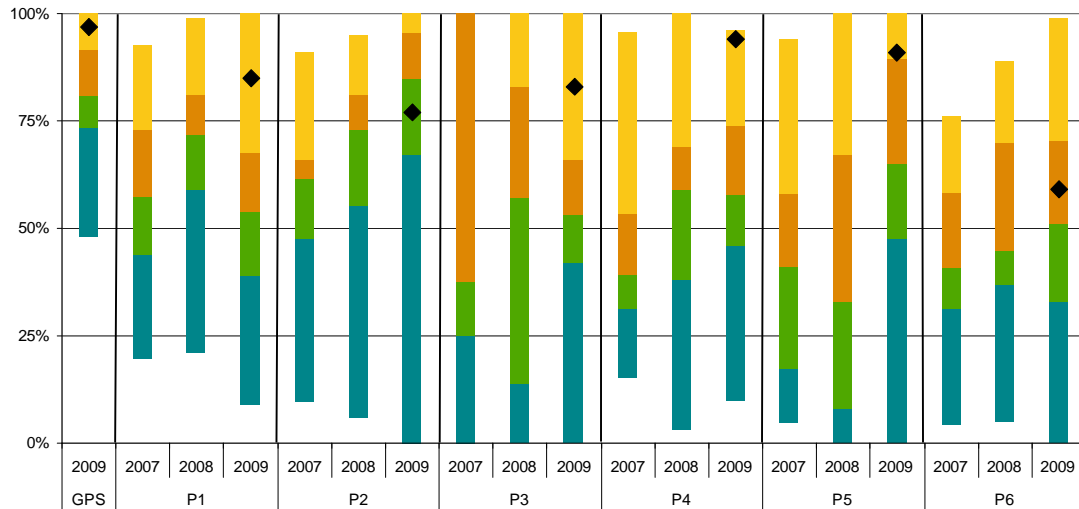
### **Contact information**

Should you have any questions about your score or the methodology, please do not hesitate to contact the Reporting and Assessment team at [assessment@unpri.org](mailto:assessment@unpri.org).

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## Appendix

**Figure 4. London Pensions Fund Authority (LPFA) and PRI Non-corporate pension or superannuation or retirement or provident fund or plan scores**

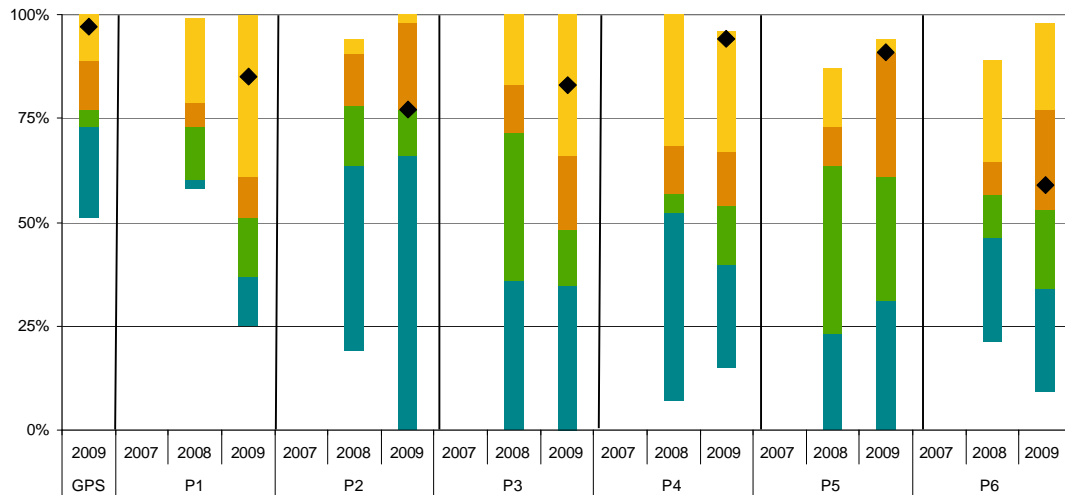


**Table 4. London Pensions Fund Authority (LPFA) quartiles relative to PRI Non-corporate pension or superannuation or retirement or provident fund or plan signatories**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	21
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	37
<b>2009</b>	1	1	3	1	1	1	2	55

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 5. London Pensions Fund Authority (LPFA) and PRI Primarily defined benefit Non-corporate pension or superannuation or retirement or provident fund or plan scores**

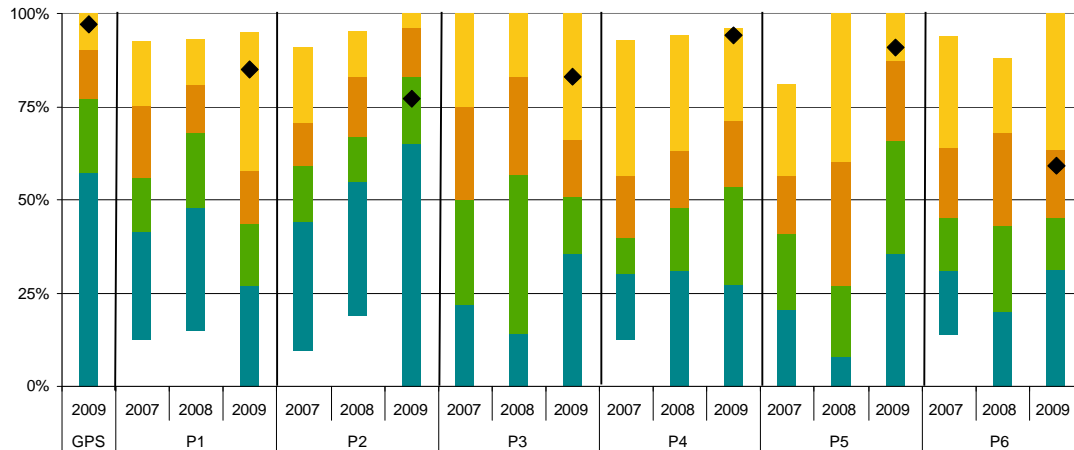


**Table 5. London Pensions Fund Authority (LPFA) quartiles relative to PRI Primarily defined benefit Non-corporate pension or superannuation or retirement or provident fund or plan signatories**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	6
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	10
<b>2009</b>	1	1	2	1	1	1	2	21

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 6. London Pensions Fund Authority (LPFA) and PRI Asset Owners with Moderately complex level of complexity scores**

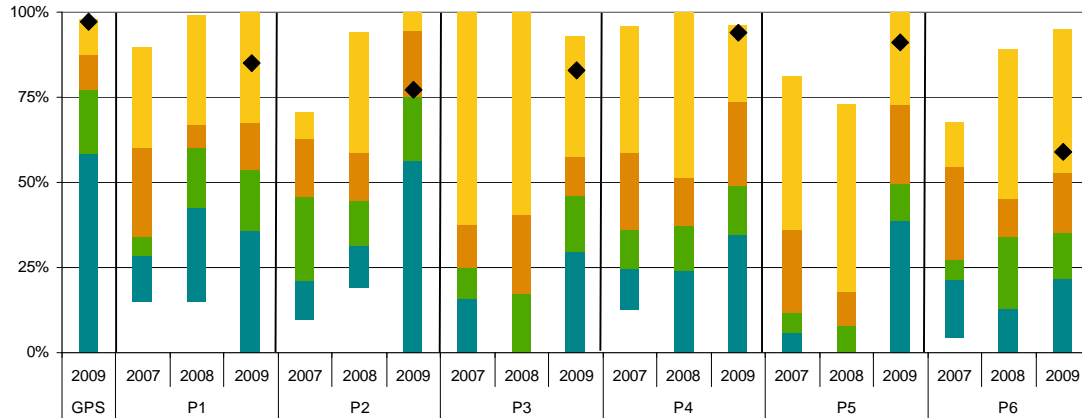


**Table 6. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners with Moderately complex level of complexity**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	26
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	41
<b>2009</b>	1	1	3	1	1	1	2	59

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 7. London Pensions Fund Authority (LPFA) and PRI Asset Owners with Third largest quartile AUM scores**

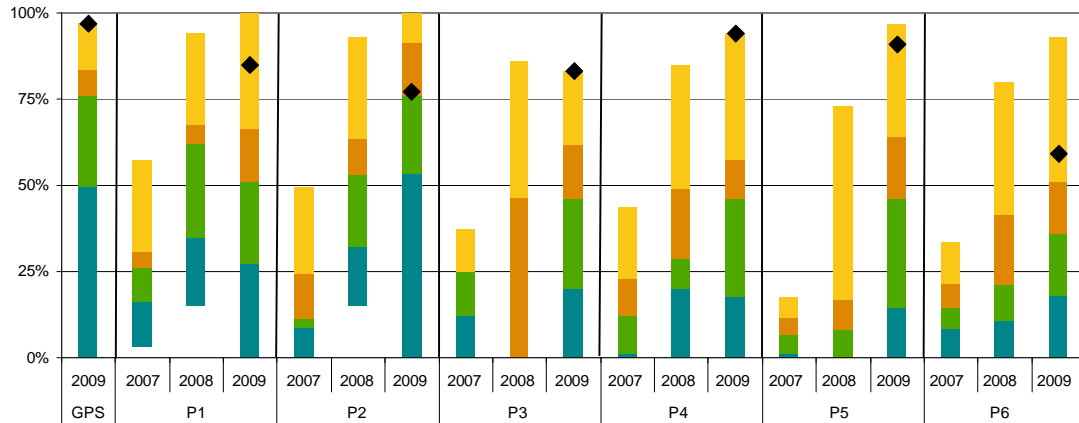


**Table 7. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners with Third largest quartile AUM**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	10
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	20
<b>2009</b>	1	1	2	1	1	1	1	32

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 8. London Pensions Fund Authority (LPFA) and PRI Asset Owners that joined the PRI in 2007 scores**

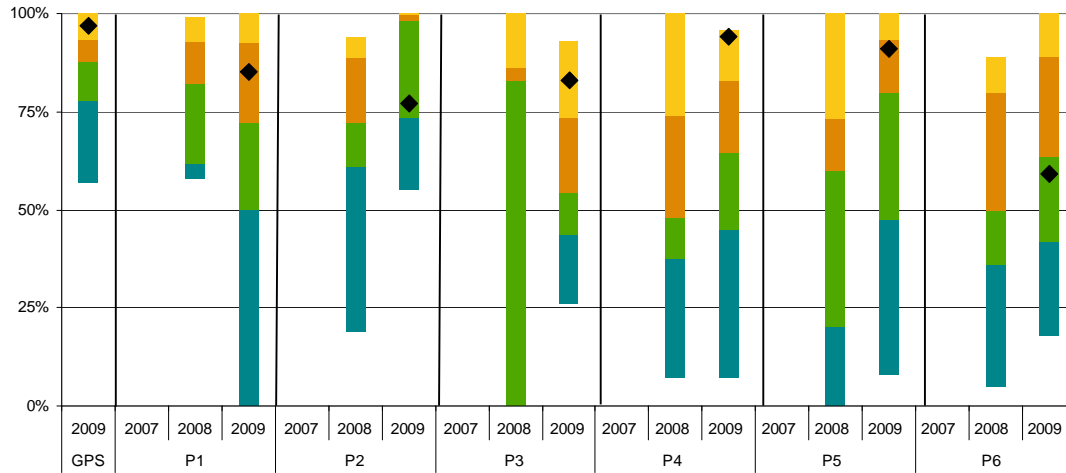


**Table 8. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners that joined the PRI in 2007**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	8
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	27
<b>2009</b>	1	1	2	1	1	1	1	47

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking

**Figure 9. London Pensions Fund Authority (LPFA) and PRI Asset Owners in UK scores**



**Table 9. London Pensions Fund Authority (LPFA) quartiles relative to PRI Asset Owners in UK**

	GPS	P1	P2	P3	P4	P5	P6	Min. # peers
<b>2007</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	5
<b>2008</b>	N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	9
<b>2009</b>	1	2	3	1	1	2	3	14

(1)= top quartile; (4)= bottom quartile; green/red represent increases/decreases in quartile ranking