

## PRI Reporting and Assessment survey 2011 Responses for ALL questions - not for publication

Your organisation:

**Lægernes Pensionskasse**

### Organisational overview

This section determines which questions in the survey are relevant to your organisation. Your organisation's characteristics also play a role in determining your peer group for benchmarking. Therefore, please ensure you provide accurate answers.

You will be provided with an *Other* category in some questions, but please only use this option if the alternatives listed do not represent you in any way, as this may prevent you from having results comparable with peers.

**You will not be able to continue the online survey until you have completed fully both this section and the 'Governance, policy and strategy' section.** However, you can prepare your answers for the following sections by reviewing the full list of questions and explanatory notes on the [PRI extranet](#).

This section may require you to collect information from multiple sources. We strongly recommend you begin collecting this information as soon as possible and before commencing the survey.

This section of the survey is not scored.

### Q 1 Please provide the name and email address for your primary and secondary PRI Reporting and Assessment contacts.

#### Primary contact

name: Steen Marcus

e-mail: sem@lpk.dk

#### Secondary contact (optional)

name: Niels Elmo Jensen

e-mail: nej@lpk.dk

### Q 2 What category best describes your organisation?

Please select **one category** which best represents your **primary activity**.

#### Asset owners (AOs)

Non-corporate pension or superannuation or retirement or provident fund or plan

### Q 3 What kind of pension / superannuation / retirement / provident fund or plan is your organisation?

Please select one: Primarily defined contribution

**Q 6 Please indicate the number of staff your organisation employs and select the level of complexity that best describes your organisation?**

Approximate number of staff: 77

Level of complexity of organisation: Moderately complex

**Q 7 What were your organisation's total assets under management as of 31 December 2010, including the assets of all your consolidated subsidiaries?**

	billions	millions	thousands	units
Total AUM:	56	542	000	000
Currency:	Danish Krone (DKK)			

**Date of assets under management figure**

	year	month	day
Date:	2010	December	31

The amount you indicated above is roughly equal to the amount calculated below in United States Dollars. Please confirm that this figure is approximately correct before proceeding. Exchange rates are from the International Monetary Fund.

Source: [IMF Exchange Rate archive, December 2010](#)

	billions	millions	thousands	units
Total AUM in USD:	10	072	816	510

**Q 8 Please provide an approximation of your average asset mix for 2010 or your most recent count, in %.**

**(For asset classes you hold in insignificant amounts you may choose not to list them and will not be asked related questions. +/- 5% is sufficient; the sum of all the fields must be 100 %)**

Asset class	Internal active	Internal passive	External active	External passive
Listed equity (developed markets)	%	%	20 %	3 %
Listed equity (emerging markets)	%	%	4 %	%
Fixed income - sovereign and other non-corporate issuers	%	%	9 %	%
Fixed income - corporate issuers	%	%	6 %	%
Private equity	%	%	2 %	%
Listed real estate or property	%	%	%	%
Non-listed real estate or property	4 %	%	2 %	%
Hedge funds	%	%	%	%
Commodities	%	%	%	%
Infrastructure	%	%	%	%
Cash	0 %	%	%	%
Other - please specify: Danish mortgage bonds, swaptions and subsidiary (Bank)	5 %	35 %	10 %	%

Please contact the PRI Secretariat at [assessment@unpri.org](mailto:assessment@unpri.org) before indicating that more than 10% of your assets fall into the 'Other' category. A response of 'Other' may render the benchmarking results less useful for you and your peers.

If you manage balanced or multi-asset class products with listed equity, fixed income and potentially other asset classes, the relative assets in these funds need to be separated out into the different asset classes.

**Total (must add up to 100%): 100 %**

**Q 9 Please provide the following information based on your asset classes holdings:**

**(rough estimates of +/- 5% are fine; when negligible, please leave as zero)**

**B.** What percentage of your assets invested in publicly listed companies are invested in companies where your organisation or external investment managers have significant control? Significant control implies that active ownership can influence change more so than proxy voting and engagement alone.

0 %

**Q 10 What percentage of your externally managed assets are managed by PRI signatories? (+/- 5% is sufficient)**

Percentage: 40 %

## Governance, policy and strategy

This section is focused on the governance, policies and strategies guiding your organisation's approach to responsible investment (RI). 'Policy' in this section may refer to one overall RI policy or multiple policies that address various elements of RI or ESG issues. Some questions in this section are scored, while other questions are not scored but do determine the applicability of subsequent questions.

Please make sure you provide accurate answers. You will not be able to enter this section unless you have completed the "Organisational overview" section. **You will not be able to continue the survey until you have finalised this section.** However, if you wish to begin preparing your answers for the following sections, you may do so by reviewing the full list of questions and explanatory notes in the manual provided on the [PRI extranet](#). This section will be scored separately from the six Principles.

### Q 11 Please provide a description of how your governance, policies and strategies address RI and ESG issues.

**Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

Social responsible investments have been a part of Lægernes Pensionskasse's equity portfolio manager's investment process for many years. Lægernes Pensionskasse joined the PRI in 2009 and uses the principles as a guideline in implementing and developing the ESG strategy.

The overall goal for Lægernes Pensionskasse is to ensure that the Danish doctors obtain the highest return on their retirement savings. We are also bound to this goal by law. In addition to this the pension fund has a responsibility to be a socially responsible investor. Therefore, the pension fund has a policy for socially responsible investment (SRI policy) that applies for its entire equity portfolio.

#### SRI policy and guidelines

The pension fund's guidelines for socially responsible investments are as follows:

o Denmark's official policy regarding specific countries and companies. This includes the treaties or sanctions of the Danish authorities as well as those adopted by international organizations which are endorsed by Denmark.

o UN's Global Compact principles and values in the areas of human rights, labour standards, the environment and anti-corruption.

Therefore the pension fund does strive not to invest in companies that:

o Do not strive to respect fundamental human rights (ILO Conventions not to exploit child labour, not to use forced labour, nor to discriminate between sexes in the workplace and to respect freedom of association).

o Do not comply with national environmental and anti-corruption legislation.

o Manufacture cluster munitions, anti-personnel landmines or chemical and biological weapons.

o Have tobacco production as main activity or main source of income.

### Q 12 Do you have a policy or a set of policies that make specific reference to responsible investment, and if so, do they cover environmental, social, and governance issues?

Please select "Yes" or "No": Yes

If "Yes", which issue(s) does it cover? Environmental  
Social  
Governance

**Q 13 For the following asset classes, to what extent has your policy or approach to responsible investment been incorporated into internal management processes (e.g. business planning, strategic planning, or similar)?**

**Extent that your approach has been incorporated into internal management processes**

Please select:

"Large", "Moderate", "Small" or "Not at all"

Asset class	
Listed equity (developed markets)	Moderate
Listed equity (emerging markets)	Moderate
Fixed income - sovereign and other non-corporate issuers	Not at all
Fixed income - corporate issuers	Not at all
Private equity	Small
Non-listed real estate or property	Small

**Q 14 Within your organisation:**

- **What roles are present?**
- **Who has a clear responsibility related to responsible investment implementation? and**
- **Are there incentives and/or training on RI/ESG issues?**

	Roles present in your organisation	Responsibilities on RI/ESG	Incentives	Training
	Please check all that apply		Please choose among "Yes, for all", "Yes, for some" or "No"	
Board of trustees or board of directors and their committees	Yes	Yes	N/A	Yes, for some
Chief Executive Officer or Chief Investment Officer or equivalent	Yes	Yes	No	Yes, for some
Other senior management				
Portfolio managers	Yes	Yes	No	Yes, for some
Analysts				
Researchers				
RI or ESG specialist				
Other - please specify:				

**Q 15 Select any of the following RI, ESG and/or SRI approaches that you or your external investment managers currently apply in the investment decision making process.**

**Please note that this question helps determine which questions you will be asked in subsequent sections, so please carefully review the definition of each possible answer.**

Please select all those that are relevant  
(columns are visible based on your answer  
to Q8 on asset classes breakdown)

	Internally managed	Externally managed
Exclusion based on ethical criteria		✓
Screening as a way to avoid the potential negative publicity surrounding the companies/sectors in question as it may adversely reflect on you or your manager's brand/license to operate		
Screening based on a belief that exclusion or inclusion of certain investments from your investment universe can have a material effect on portfolio performance	✓	✓
ESG analysis within individual investment decisions, possibly including these factors into valuation and investment performance models		
Themed investing		
None of the above (this reply excludes any of the above)		

**Q 17 Please select any of the following active ownership activities that you, your external service providers or your external investment managers have undertaken in 2010 on behalf of your organisation?**

**Please note that this question helps determine which questions you will be asked in subsequent sections, so please carefully review the definition of each possible answer.**

You may select any approach you or your external managers, service providers or partner entities adopt on your behalf

(Proxy) voting related to listed equity investments in the following asset classes: Listed equity (developed markets), listed equity (emerging markets), or listed real estate/property (including the votes on listed securities held in hedge funds).



File and/or co-file shareholder resolutions on listed companies.

Engagement on ESG issues with listed equity or fixed income issuers in the following asset classes: listed equity (developed markets), listed equity (emerging markets), listed real estate/property, listed securities held in hedge funds, or fixed income - corporate issuers.



Ownership and engagement activities focused on ESG issues related to investments in the following asset classes: Listed equities which permit a significant control, sovereign and other non-corporate fixed income, private equity, non listed real estate/property, hedge funds, infrastructure, or other.

None of the above (this reply excludes any of the above).

**Q 18 Please add any overall comments and clarifications related to governance, policy and strategy here.**

## Principle 1 - We will incorporate ESG issues into investment analysis and decision-making processes.

This section focuses on the integration of ESG considerations into the investment process. The questions are split into three sections. Only questions relevant to your organisation will be displayed, based on your responses to Q 8 (your investment management structure and asset class breakdown).

The three sections are:

- I. Internally and actively managed investments;
- II. Externally and actively managed investments; and
- III. Passively (both internally and externally) managed investments.

Some questions in this section are scored. Any question that is scored, but is not relevant to your organisation, based on your investment management structure and asset class breakdown or other responses, will not affect your overall score for Principle 1.

You do not need to complete Principle 1 questions before completing questions for other Principles. While completing this section you are free to navigate to any of the other sections of the survey without losing answers already completed.

### **Definitions**

Please note that this section of the survey focuses on investment decision-making processes and how ESG issues are integrated in these processes. It does not address the integration of ESG issues in other parts of your organisation and/or activities, such as the running of offices (e.g. how you manage your own organisation's waste) or your organisation's collaboration with other investors on ESG issues.

**ESG Integration, as addressed in this section of the survey, relates to the consideration of ESG issues alongside traditional financial measures, based on the belief that ESG issues can affect the performance (risk and/or return) of investment portfolios (to varying degrees across companies, sectors, regions, and asset classes and through time).**

Integration is considered to be:

- screening based on the belief that exclusion or inclusion of certain investments in the investable universe can effect materially on the portfolio's financial performance; and/or
- ESG analysis within individual investment decisions based on the belief that such analysis can effect materially on the investment's financial performance.

Please note the view that ESG issues can influence investment returns based either on:

1. The premise that performance on these issues will eventually be reflected in financial and operational outcomes and that externalised costs in the future will be priced and have an impact on revenue growth, margins, etc.; or,
2. The premise that the way in which the market rates or prices the stock will be affected even in the absence of an impact on financial or operational performance.

Exclusion of stocks or sectors from portfolios or down-weighting them based on the possibility that an association with the stocks may adversely affect the owners profile or brand amongst stakeholders is **not** regarded as integration. Also, exclusion based on ethical considerations of sectors is not considered ESG integration. However, screening based on norms that are believed to be material in the investment process are included in the above definition of integration.

**Q 19 Please provide a description of your organisation's approach to this Principle. For example, how do your organisation's investment analysis and decision-making processes incorporate ESG issues?**

**If your assets are managed both internally and externally, please describe how you address this in both portions of your assets. In addition, please describe any activities you may be doing to integrate ESG issues into the management of those investments that passively track indices (if you use this approach).**

**Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

The majority of Lægernes Pensionskasse's portfolio is outsourced to external portfolio managers. Therefore it has been important for us to implement the ESG in the investment guide lines with the portfolio managers to make sure, that the policy becomes a part of the manager's investment process. The contracts with the active managers says, that we expects that investments are made solely in companies that continuously strive to respect the basic human rights, including the ILO conventions (concerning: The elimination of child labour, The abolition of forced labour, Equality and Discrimination, Freedom of association and The right to organize and collective bargaining).

Furthermore we expect that the portfolio managers do not invest in companies that doesn't respect national environmental and anticorruption laws or is involved in lawsuits or disputes that indicates that the company puts an unnecessary strain on the environment or does not seek to reduce the company's negative effect on the environment, or uses or is engaged in corruption, bribery, or other business practices that is not in line with the UN Convention against Corruption (UNCAC).

We expect that the external portfolio manger take ESG considerations into their investment process when analyzing the companies they invest in.

We also have implemented a restricted list of companies that the active and passive portfolio managers not may invest in.

The Pension Funds external administrator of the non-listed real estate and property has a policy for reducing the negative environmental impact from the buildings they administrate. The goal is to reduce the emission of carbon dioxide by 40 percent by 2015 and reducing the amount of waste in general.

**Q 20 What percentage, by asset class, of your organisation's assets under active management internally integrate the consideration of RI/ESG issues in investment decision making processes - such as researching ESG information and/or constructing/managing portfolios - and to what extent?**

**Please note that the percentages requested here are different from the data in Q8.**

<b>Asset class</b>	<b>What percentage of assets under active management internally (see example in notes)</b> (+/- 5 per cent is sufficient)	<b>Research (gathering and analysing)</b>	<b>Portfolio construction and management</b>
		If percentage is greater than zero, please select: "Large", "Moderate", "Small" or "Not at all"	
Non-listed real estate or property	50 %	Small	Small

**Q 21 For the assets under active management internally that integrate the consideration of RI/ESG issues, to what extent do you have a process for monitoring the capability of investment analysts, portfolio managers and other relevant investment professionals on how they integrate the consideration of RI/ESG issues into investment analysis and decision-making processes?**

**Applies only to investments that include integration of RI/ESG issues as indicated in Q20.**

<b>Monitoring</b>	
<b>Asset class</b>	Please select: "Large", "Moderate", "Small" or "Not at all"
Non-listed real estate or property	Not at all

**Q 22 What percentage, by asset class, of your organisation's assets under active management externally did you specify - contractually or via other agreement - that the consideration of RI/ESG issues be integrated into the investment decision-making processes of your external investment managers?**

**For these assets, what is the extent of integration you agreed upon and to what extent do you monitor such integration?**

**Please note that the percentages requested here are different from the data in Q8.**

<b>Asset class</b>	<b>Assets under active management externally</b> (see example in notes)  (+/- 5 per cent is sufficient)	<b>Agreed RI/ESG integration</b>  Please select: "Large", "Moderate" or "Small"	<b>Monitor</b>  Please select: "Large", "Moderate", "Small" or "Not at all"
Listed equity (developed markets)	95 %	Moderate	Small
Listed equity (emerging markets)	66 %	Moderate	Small
Fixed income - sovereign and other non-corporate issuers	0 %		
Fixed income - corporate issuers	0 %		
Private equity	22 %	Small	Not at all
Non-listed real estate or property	0 %		

**Q 23 When searching for and selecting external investment managers for your current portfolio, to what extent did your organisation consider the capabilities of external investment managers to consider RI/ESG issues?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Please select: Moderate

**Q 24 Has your organisation directly, or via a mandate with an external manager, requested that any passive index tracking investments be managed relative to indexes that are constructed using relevant ESG issues?**

Please select: "Yes" or "No"

Please select: No

**Please add any other comments regarding how you are, or are not, addressing ESG issues in your passively managed investments.**

In the investment guidelines with the portfolio managers of the passive managed portfolios there is a restricted list of companies. The restricted list includes: companies where the main activity or revenue is production of tobacco products and companies that are involved in the production of cluster munitions, antipersonnel mines or chemical and biological weapons.

**Q 25 Please add any overall comments and clarifications related to Principle 1 here. Please also describe any significant activities relating to Principle 1 not already captured by your answers above.**

## Principle 2 - We will be active owners and incorporate ESG issues into our ownership policies and practices.

This section is focused on active ownership and is divided into three parts. You will see only those questions relevant to your organisation.

The first part addresses voting related to listed investments. The second part addresses non-voting engagement activities undertaken by your organisation or on your behalf by third parties with listed equity and corporate fixed income issuers. For the purpose of this survey, the term 'engagement' refers to non-voting contact with companies to discuss concerns regarding ESG issues. The third part addresses ownership and engagement practices for other asset classes such as sovereign and other non-corporate fixed income issuers, private equity, non-listed real estate/property, hedge funds, and infrastructure. This third section also covers any listed equities where investors have significant control (as defined in Q9, explanatory note [B]).

The third section is necessary to account for the differing levels of influence that investors may acquire when investing in other asset classes versus those of listed equities.

The contents and parts for this section of the survey are therefore:

1. Voting and engagement activities related to listed equity investments undertaken by:
  - A. internal staff;
  - B. external parties (e.g., service providers and external managers).
2. Engagement activities related to corporate fixed income issuers;
3. Ownership and engagement activities for sovereign and other non-corporate fixed income, private equity, non-listed real estate and property, hedge funds, and infrastructure, as well as listed equities when they represent significant control.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

Please note that for this survey, proxy voting activities entail any casting of votes at AGMs and the filing or co-filing of resolutions. Engagement activities refer to all interactions with investee companies that are not related to voting activities. Engagement activities should seek to achieve relevant information and promote better ESG performance by companies. Such activities involve usually written communications, phone calls and meetings with management. For indirect investors in certain asset classes, such as private equity, infrastructure, and non-listed real estate, active ownership may not be possible with the underlying asset. Active ownership in this case should be viewed as engaging with third party managers to consider and interact on ESG issues with underlying holdings. Working with governments to modify laws, rules and regulations in favour of ESG issues should not be counted as engagement in this part of the survey and it will be addressed separately in Principle 4 and 5.

**Q 26 Please provide a description of your organisation's approach to this Principle. For example, how is your organisation an active owner and how does it incorporate ESG issues in its ownership policies and practices?**

**Describe both your voting activities and any other engagement activities you undertake across the different asset classes you hold.**

**Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

Lægernes Pensionskasse's policy for active ownership is shown below.

Active ownership and implementation of the SRI policy:

Active ownership is also an important part of the pension fund's SRI policy. Instead of just selling the stocks in companies that do not comply with the SRI policy, it may be appropriate to have a dialogue with the management, use the proxy voting at companies' annual meetings or file shareholder resolutions. To sell the stock and add it to the "Restricted list" is an action of last resort.

The implementation of the pension fund's SRI policy and active ownership is as follows:

- o The pension fund is a signatory of the United Nations Principles for Responsible Investment, UN PRI. This is a network-cooperation with other like-minded investors, typically pension funds. The goal is to maximize the pension funds influence by cooperating with other investors.
- o An external consultant screens the equity portfolio on a regularly basis in order to assess whether the pension fund's investments are in accordance with the pension fund's SRI policy and the principles of Global Compact.
- o In all of the pension fund's agreements with the managers of the equity portfolio there are guidelines ensuring that the pension fund has the ability to use the proxy voting.
- o An external consultant assists the fund in exercising active ownership.
- o The pension fund has a "Restricted list" which names the companies that the fund not wants to invest. This applies only to mutual funds, where the pension fund has a controlling interest.

The external portfolio managers can use the voting rights on behalf of LPK. A major part of the external portfolio managers have a formalized policy in the area and a committee who make the final decisions regarding voting.

The Pension Fund (LPK) can overrule the external portfolio mangers, so LPK can vote in relation to ESG issues if needed.

**Q 27 Do you have a (proxy) voting policy, and, if so, does it address environmental, social and governance (ESG) issues?**

Do you have a voting policy? No

If Yes, please select all that apply:

**Q 28 For listed equities, please indicate the ratio of (proxy) votes cast, either directly or via third parties (such as an external service providers or external investment manager), against those you could have cast in 2010 for at least one of the following measures:**

- by ballots item or resolution;
- by meetings (e.g. AGMs, EGMs, special);
- by listed assets under management.

Please answer for at least one of these measures, if available please provide others as well

We do not track our listed equity voting activities

	Ballot items	Meetings	Listed assets
Actually cast vs. all you could have cast	%	33 %	%

**Q 29 For listed equities, who makes voting decisions on behalf of your (or your client's) organisation? Please rank the importance of the different groups listed below based on the proportion of decisions made by that group.**

Please note that subsequent questions will be asked specifically on the group that you list as most important and - if specified - of the second and third most important. Only the activities of the most important will be scored.

Please select from:  
 "Internal investment manager or other internal staff"  
 "Internal voting or governance group"  
 "External investment manager"  
 "External proxy voting service"  
 "External service provider" or  
 "Other third party voting support entity"

Most important: External investment manager

Second most important:

Third most important:

**Q 33 For listed equity votes that your external manager or service provider casts on your behalf, to what extent did you monitor that voting decisions were analysed and made in accordance with your (proxy) voting policy?**

Please select  
 "Large", "Moderate", "Small" or "Not at all"

Please select one: Small

**Q 34 How does your listed equity securities lending programme address voting?**

Please select one: We do not have a securities lending programme

**Q 35 To what extent do you and/or your agents review shareholder resolutions put forward by other shareholders to determine whether or not to support the resolution?**

Please select  
 "Large", "Moderate", "Small", "Not at all" or  
 "We do not vote on shareholder resolutions"

Voting - managed externally Small

**Q 37 Do you have a written engagement policy or other documents that direct engagement with listed equity and fixed income issuers; if so, do these policies address environmental, social and governance (ESG) issues?**

Asset class	Engagement policy or other documents Please select "Yes" or "No"	Do they address E, S or G Please select all that apply
Listed equities	Yes	Environmental Social Governance
Fixed income - corporate issuers	No	

**Q 38 Who engages with listed equity or fixed income issuers on behalf of your (or your client's) organisation? Please rank the importance of the different groups listed below based on the engagements undertaken by that group.**

Please note that subsequent questions will be asked specifically on the groups that you list here. Only the activities of the most important will be scored (except for question 39 where all will be scored).

Please select from:  
 "Internal staff"  
 "External engagement service provider(s)"  
 "External investment manager(s) "  
 "Other external entity"

Most important:	External engagement service provider(s)
Second most important:	External investment manager(s)
Third most important:	Internal staff
Fourth most important:	

If "Other external entity" is selected, please list it here.

**Q 39 In total, how many listed equity and fixed income issuers did your organisation engage with or were engaged with on your organisation's behalf on ESG issues in 2010, by level of engagement?**

Please do not double count. Engagements that are listed in one column should not be repeated in another. Choose to list them where the highest level of effort is being applied. Consider both individual and collaborative engagements carried out during the year.

	Internal staff	External engagement service provider(s)	External investment manager(s)	Other external entity
Extensive engagement	0	0	0	
Moderate engagement	0	12	0	
Basic engagement	1	0	5	
We do not track these engagement activities				

**Q 40 Approximately what proportion of the engagements with listed equity or fixed income issuers undertaken by your organisation or on your organisation's behalf addressed environmental, social or governance (ESG) issues?**

(+/- 5% rounding is sufficient)

	Internal staff	External engagement service provider(s)	External investment manager(s)	Other external entity
Environmental	0 %	15 %	%	%
Social	100 %	81 %	%	%
Governance	0 %	4 %	%	%
We do not track these engagement activities			✓	

**Q 41 To what extent do you assess and monitor the ESG engagement competency and capabilities of the following groups?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Internal staff	Small
External engagement service provider(s)	Moderate
External investment manager(s)	Small

**Q 42 Given your (or your client's) engagement policy and/or approach to engagement, to what extent do you or do the third parties acting on your behalf, have a process for identifying and prioritising ESG related engagement opportunities?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Internal staff	Small
External engagement service provider(s)	Large
External investment manager(s)	Moderate

**Q 43 To what extent do you or your third party engagement providers or investment managers set ESG engagement objectives and evaluate engagement successes?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Internal staff	Not at all
External engagement service provider(s)	Moderate
External investment manager(s)	Not at all

**Q 44 To what extent do you or your external investment manager integrate the information gained from ESG engagements into the investment decision-making process?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

External investment manager(s)	Small
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**Q 45 When searching for and selecting investment managers for your current portfolio, did you consider the capabilities of external investment managers to engage with companies on ESG issues on your behalf?**

Please select one: No

**Q 46 What percentage of engagements with listed equity and fixed income issuers that ended in 2010 were deemed successful?**

	Internal staff	External engagement service provider(s)	External investment manager(s)	Other external entity
Engagement success	0 %	25 %	0 %	%

**What measures does your organisation or its external service provider(s) and or external manager use to assess the impact and success of engagement with listed equity and fixed income issuers, and how did you perform in 2010 based on those measures?**

**Q 51 Please add any overall comments and clarifications related to Principle 2 here. Please also describe any significant activities relating to Principle 2 not already captured by your answers above.**

### Principle 3 - We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 3 is about ensuring that information related to ESG issues is disclosed by companies and other entities in your organisation's investment universe. It is closely related to your activities on Principle 1 and Principle 2.

This section lists questions regarding:

- Who seeks ESG disclosure information for your organisation;
- The level of detail and content that is sought;
- The information you may be seeking regarding norms, standards, codes of conduct or international initiatives related to RI/ESG.

While completing this section you are free to move to other sections of the survey without losing work you have already done.

#### Q 52 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation seek appropriate disclosure on ESG issues by the entities in which it invests?

**Note that this text - in addition to being part of the full survey - will also be part of the survey's *Executive Summary*. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

The Pension Fund uses external portfolio managers and therefore does normally not have the direct contact with the entities the Fund invests in.

The most important contact with entities regarding ESG issues takes place between our external SRI consultant and the companies. When this dialog takes place it is important that the company shows openness. If the company does not show the willingness to be open in giving the relevant information and there is no indication of the company is willing to participate in a dialog (and maybe change practise) it can influence the investment decision about the company in a negative way.

#### Q 53 Who asked for and/or collected from your organisation's investee companies (or other investment entities) information about their ESG policies, practices or performance in 2010?

Please select all that apply

Internal staff

External investment manager(s)



External engagement service provider(s)



External research providers

Brokers / dealers

Other - please specify:

None of the above: Investee companies, or other investment entities, were not asked to provide information about their ESG policies, practices or performance in 2010 (please specify below why not)

**If investee companies were not asked, please specify why.**

**Q 54 To what extent did you or your external agent(s) seek appropriate disclosure on ESG issues by the investees and, where necessary, encourage investee companies to produce standardised and/or systematic reporting about their ESG policies, practices or performance in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

**Asset class**

Listed equity (developed markets)	Small
Listed equity (emerging markets)	Small
Fixed income - sovereign and other non-corporate issuers	Not at all
Fixed income - corporate issuers	Small
Private equity	Not at all
Non-listed real estate or property	Small

**Q 55 In which format or mechanism have you or your third party agents requested reporting on ESG policies, practices or performance?**

**Reporting formats**

Please select all that apply

Integrated with regular financial reports	<input checked="" type="checkbox"/>
Standalone corporate (social) responsibility or sustainability reports	<input checked="" type="checkbox"/>
Global Reporting Initiative (GRI)	<input checked="" type="checkbox"/>
Carbon Disclosure Project (CDP)	<input checked="" type="checkbox"/>
Global Framework for Climate Risk Disclosure	<input type="checkbox"/>
Communication on Progress (COP) by the United Nations Global Compact	<input type="checkbox"/>
Country-level company form of the Extractive Industries Transparency Initiative (EITI)	<input type="checkbox"/>
Submission of a tailored survey	<input checked="" type="checkbox"/>
Other reporting framework by an industry or association - please specify:	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

**Q 56 To what extent did you or your third party agents seek information from companies regarding their practices related to norms, standards, codes of conduct or international initiatives/ declarations/ conventions related to ESG issues in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Please select: Large

**Q 57 Please add any overall comments and clarifications related to Principle 3 here. Please also describe any significant activities relating to Principle 3 that are not already captured by your answers above.**

## **Principle 4 - We will promote acceptance and implementation of the Principles within the investment industry.**

Principle 4 is about promoting the acceptance and implementation of the Principles for Responsible Investment (PRI) among your clients, service providers, partners, brokers/dealers and other investment industry players. In addition, it is about working with governments, regulators and international bodies to address and define approaches relating to ESG issues.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

**Q 58 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation promote the acceptance and implementation of the Principles within the investment industry?**

**Please describe how you support the incorporation of ESG factors in the investment industry via mandates, incentives, Request for Proposals (RfPs), policy discussions etc. Please, indicate how your organisation does this in relation to clients and/or beneficiaries, peers or other entities.**

**Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

Lægernes Pensionskasse supports the incorporation of ESG factors in the investment industry in different ways:

We have implemented our ESG policy in all our equity based mutual fund that we control (The pension fund has its own mutual fund called "LPI")

The LPI equity mutual funds, which are distributed to clients through our subsidiary bank, have the same ESG policy as the pension fund.

When searching for new portfolio managers, we ask the managers if they are PRI signatories and have a formulated ESG policy either in the RfPs or at meetings with them.

When we hire a portfolio manager for the LPI mutual funds, the manager must implement our ESG policy. If not it is a deal breaker.

We send letters to the external portfolio managers in the mutual funds where we does not have a majority stake and ask them to consider using the same principles in their ESG policy as us and recommended them to become a PRI signatory.

We have hired an external ESG consultant

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**Q 59 Did you include RI/ESG considerations when working with service providers and/or external investment managers in 2010 (where applicable)?**

Specifically when:

- a. searching for service providers or external managers;
- b. agreeing on service requirements;
- c. structuring incentive schemes.

Service providers or external managers	a. Searches	b. Agreements	c. Incentives	We do not work with this type of provider
	If you work with this type of service provider, please select "Yes, for all", "Yes, for some" or "No"			
Brokers / dealers	No	No	No	
External engagement service provider	Yes, for all	Yes, for all	No	
Investment consultant	No	No	No	
Investment research provider	No	No	No	
Proxy voting service provider				✓
External investment manager	Yes, for some	Yes, for some	No	

Other - please specify:

**Q 60 To what extent did you encourage peer organisations and/or your institutional clients and/or other investment industry players to consider RI/ESG issues in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Please select: Small

**Q 61 Does your broker evaluation process (which determines how you allocate commissions to brokers) include an ESG component, and/or do you have a budget to pay for broker research on ESG issues?**

Please select:  
"Yes" or "No"

Please select: No

**Q 62 To what extent do you identify ESG issues and suggest them to brokers or other investment research providers for research?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Please select: Not at all

**Q 63 To what extent did you engage in dialogue, lobbying or initiatives pertaining to government policy and/or industry regulations related to RI/ESG issues in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

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Please select: Not at all

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**Q 64 Please add any overall comments and clarifications related to Principle 4 here. Please also describe any significant activities relating to Principle 4 not already captured by your answers above.**

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## Principle 5 - We will work together to enhance our effectiveness in implementing the Principles.

Principle 5 is about collaborating with others in your implementation of responsible investment. The questions in this section are designed to capture the many ways in which signatories collaborate (for example by using the PRI Clearinghouse), and thus may overlap with areas discussed previously in the survey. However, the focus here is only those activities that involve working with others to implement the Principles.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

### Q 65 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation work with other parties to enhance its implementation of the Principles?

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

Lægernes Pensionskasse corporate with other Scandinavian institutional investor in ESG matters. We believe that it is more effective to cooperate with other investors when contacting a company about ESG topics, then doing it alone. We regularly co-signs letters regarding ESG matters to companies we have invested in with other institutional investors.

Furthermore we have an ongoing informal discussion with other Danish pension funds about ESG matters

### Q 66 To what extent did you collaborate with other investors in regard to the Principles, and what Principle did you collaborate most on?

Extent of Collaboration	Principle you collaborated most in
Please select: "Large", "Moderate", "Small" or "Not at all"	Please select: Principle 1, 2, 3, 4 or 6
Small	Principle 2

### Q 67 Did you log in to the PRI Engagement Clearinghouse in 2010 and if so, how did you use it?

Logged in?	If Yes, please select all that apply
Yes	Used it as a learning tool or keep up to date with current engagements

### Q 68 Did your organisation participate in any RI/ESG-issue related associations?

Among those you did participate in, please select:

- the first, second and third most important to your organisation, and
- for the three most important, to what extent your organisation participated.

For those not listed, please use the 'Other' field.

Associations	Please select all that apply	Please select only one "Most important", one "Second most important" and one "Third most important"	Only for these three most important, please select to what extent: "Large", "Moderate" or "Small"
Regional Social Investment Forums	✓	Most important	Small

**Q 69 Please add any overall comments and clarifications related to Principle 5 here. Please also describe any significant activities relating to Principle 5 not already captured by your answers above.**

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## Principle 6 - We will each report on our activities and progress towards implementing the Principles.

Principle 6 is about your organisation's reporting of responsible investment activities (as opposed to Principle 3 which relates to the reporting of your investees or potential investees). The questions in this section focus on how you disclose your activities regarding the implementation of the Principles and where that disclosed information can be found. While completing this section you are free to move to any of the other sections of the survey without losing work already done.

**Q 70 Please provide a description of your organisation's approach to this Principle. For example, in what ways does your organisation report your implementation of the Principles? Please include any sort of disclosure and transparency practices you have adopted.**

**Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).**

Lægernes Pensionskasse homepage is the most important source to distribute information about ESG issues and the progress in implementing UN PRI Principles.

On the website we have published:

- o The policy for social responsible investment (in Danish and English)
- o The policy for active ownership
- o The holdings of listed equities
- o The ESG policy of each external portfolio manager

To report about the implementation of the PRI Principles we have published the full responses of The 2010 PRI Reporting and Assessment survey and plan to publish the future versions.

Every year our ESG policy is reviewed, revised and approved by the pension funds board. Every year's edition is published on the website, so it is possible to see the development in the pension funds ESG policy.

The pensions funds general assembling is also an important forum for discussing the policy for social responsible investments for the Pension Funds members.

**Q 71 To what extent did you disclose, either to clients/beneficiaries or publicly, your policy and/or approach to incorporating ESG issues into investment analysis and decision-making processes in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Large

**If you disclosed, please indicate how this disclosure can be obtained - a web address (URL) would be sufficient. If answering *not at all*, please explain why not.**

*Yes, you did disclose:*  
*how can it be obtained* [http://www.lpk.dk/investering\\_etik](http://www.lpk.dk/investering_etik)  
<http://www.lpk.dk/aktivt.ejerskab>  
<http://www.lpk.dk/composite-394.htm>

*Did not disclose publicly:*  
*please explain why not*

**Q 72 Did you disclose your voting policy in 2010?**

Please select one: No

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:  
how can it be obtained*

*Did not disclose publicly:  
please explain why not* The external portfolio managers make voting decisions on the pension funds behalf. Each portfolio manager follows their own stated voting policy. The pension fund did not have a voting policy in place at the end of 2010.

**Q 73 Did you disclose your (proxy) voting record in 2010, and if so:**

- How much of your voting record did you disclose?
- Did you disclose the explanations/reasons for voting as you did?
- How frequently did you disclose?

**Did you disclose?**  
(please select one)

**How much of your voting**  
(please select one)

**How much explanation?**  
(please select one)

**How frequently?**  
(please select any applicable)

No

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:  
how can it be obtained*

*Did not disclose publicly:  
please explain why not*

**Q 74 Did you disclose your non-proxy voting active ownership and engagement policies or other documents that direct these activities?**

Please select one: No

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:  
how can it be obtained*

*Did not disclose publicly:  
please explain why not*

**Q 75 To what extent did you disclose (either to clients/beneficiaries or publicly) your non-proxy voting RI/ESG issue-related active ownership and engagement activities, results and progress in 2010?**

Please select:  
"Large", "Moderate", "Small" or "Not at all"

Please select: Not at all

**If you disclosed, please indicate how this disclosure can be obtained - a web address (URL) would be sufficient. If answering *not at all*, please explain why not.**

*Yes, you did disclose:  
how can it be obtained*

*Did not disclose publicly:* This has not been a focus area in 2010.  
*please explain why not*

**Q 76 Did you disclose (either to clients/beneficiaries or publicly) RI/ESG activities, results and progress related to Principle 3, Principle 4 or Principle 5 in 2010?**

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

**Principle 3** Yes - disclosed publicly

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:* The process regarding openness can be followed directly on the pension funds website.  
*how can it be obtained* [http://www.lpk.dk/investering\\_etik](http://www.lpk.dk/investering_etik)

*Did not disclose publicly:*  
*please explain why not*

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

**Principle 4** No

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:*  
*how can it be obtained*

*Did not disclose publicly:* We do not have a formal method to quantify the results and progress.  
*please explain why not*

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

**Principle 5** No

**If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.**

*Yes, disclosed publicly:*  
*how can it be obtained*

*Did not disclose publicly:* We do not have a formal method to quantify the results and progress.  
*please explain why not*

**Q 77 Please add any overall comments and clarifications related to Principle 6 here. Please also describe any significant activities relating to Principle 6 not already captured by your answers above.**

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## Feedback on the PRI

This section asks about how being part of the PRI Initiative affects your organisation. Questions in this section are all optional and mostly text-based. This is the place where your organisation can inform the PRI Secretariat of its achievements, and its challenges in implementing RI/ESG. The Secretariat will keep this information confidential and use it to:

- a. Further develop services and tools that can support your organisation in implementing the PRI and;
- b. Identify best practices that can be developed, with signatories' consent, into case studies and/or guidance tools to be shared with other signatories via the annual [Report on Progress](#), the [PRI extranet](#) and other tools.

**Please note this section is not designed for feedback on the Assessment survey itself. You will have the opportunity to give your feedback on the process in a separate section upon completion of the survey.**

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

### Q 78 Please describe the main benefits your organisation has enjoyed as a result of adopting the PRI.

The main benefits is that the pension fund now has a even more systematic approach to ESG and the future goals for the pension funds ESG policy is more clear. Furthermore it helps prioritizing the efforts.

### Q 79 What has your organisation changed as a direct result of becoming a PRI signatory?

The Pension Fund has become more proactive in engaging with the companies we invest in. The internal reporting to the board has become more systematic and the six principles are used as a guideline for where the ESG initiatives should be made.

### Q 80 What are the top three activities the PRI Secretariat could undertake to support and encourage further implementation of the Principles by current and prospective signatories?

Please add the first activity

Please add the second activity

Please add the third activity

### Q 81 What are your top three PRI-related goals/priorities for 2011?

Please add the first goal/priority

To include corporate bonds in the pension funds ESG policy

Please add the second goal/priority

Improve the engagement process by using the PRI Clearinghouse more actively and improve the monitoring of the engagement and voting activities

Please add the third goal/priority

Use more resources on educating the organization about ESG

**Q 82 What were the most significant achievements in 2010 in terms of your implementation of the Principles?**

**Please provide at least three.**

**Principle 1: the most significant achievements in 2010 in terms of your implementation**

Their has not been any major changes in the investment process in respect to our SRI policy

**Principle 2: the most significant achievements in 2010 in terms of your implementation**

Lægernes Pensionskasse has been more active in engaging with companies due to we now use a consultant that assist us in the area. Our external portfolio manager have also become more active in proxy voting partly because we have asked them to be more active and facilitated that all the portfolio managers explicit are allowed to use the voting right.

**Principle 3: the most significant achievements in 2010 in terms of your implementation**

Since we now use an external SRI consultant the number of companies that we indirectly effect is larger than earlier.

**Principle 4: the most significant achievements in 2010 in terms of your implementation**

ESG matters are a lot more on the agenda when communicating with the external portfolio managers compared to earlier

**Principle 5: the most significant achievements in 2010 in terms of your implementation**

Lægernes Pensionskasse has co-signed a number of letters regarding ESG matters to companies we have invested in together with other Scandinavian institutional investors

**Principle 6: the most significant achievements in 2010 in terms of your implementation**

In 2010 Lægernes Pensionskasse has published an English version of the SRI and active ownership policy on the website.

**Q 83 What were the biggest barriers in 2010 in terms to your implementation of the Principles?**

**Please provide at least three.**

**Principle 1: the biggest barriers in 2010 in terms to your implementation**

**Principle 2: the biggest barriers in 2010 in terms to your implementation**

**Principle 3: the biggest barriers in 2010 in terms to your implementation**

**Principle 4: the biggest barriers in 2010 in terms to your implementation**

**Principle 5: the biggest barriers in 2010 in terms to your implementation**

**Principle 6: the biggest barriers in 2010 in terms to your implementation**

**Q 84 Please indicate which Principle you find most difficult to implement, and which Principle you find least difficult to implement.**

Most difficult to implement	Least difficult to implement
Principle 4	Principle 3

**End of the survey**

In this final section you may review your responses to the survey prior to submission. You will also be asked for specific feedback on the survey itself. Once submitted you will not be able to change your responses so please contact the PRI Secretariat at [assessment@unpri.org](mailto:assessment@unpri.org) if you have any concerns.

At the PRI Secretariat, we are aware that this survey is a lengthy process and thank you for your efforts collecting the relevant information from within your organisation and for responding to the questions.

The survey is designed to be a valuable tool for the RI/ESG industry as well as for your organisation. For this reason, every year we collect as much feedback as possible from those completing it so that the following year's survey can be improved, updated and relevant in a rapidly-evolving industry. Therefore, please provide us with your comments on this Reporting and Assessment survey below.

Please note that after you have submitted the survey, you should expect to receive:

- An email with your complete response attached, upon submission.
- A confidential individual scoring report, released in August 2011.
- A copy of the annual Report on Progress document ([view last year's](#)), which aggregates all signatory responses to the survey and provides both insight into global RI/ESG trends and valuable advice on how to implement the PRI based on the direct experiences of your industry peers. This will be released in September 2011.

Finally, note that you will have the choice to publish your response in full on the PRI website, or keep it confidential. The PRI recommends that you publish your response as way to implement Principle 6. Please note that from 2012 the PRI will have mandatory disclosing requirements for all signatories based on this process, and we would welcome your input on what you think these specific requirements should be.

**Q 85 Please review your full set of responses and the Executive Summary that you have submitted.**

Please confirm that, as one of the possible steps to implement Principle 6 of the PRI, you would like your *Individual Responses (Q2-Q77)* to be published on the PRI website.

(You can see last year's published responses here: <http://www.unpri.org/report10/>)

PLEASE PUBLISH OUR RESPONSES  
ON THE PRI WEBSITE

PLEASE DO NOT PUBLISH OUR  
RESPONSES AT THIS TIME



**Q 86 Did the PRI Reporting and Assessment survey capture your implementation of the Principles?**

	Yes, to a large extent	Yes, to a moderate extent	Yes, to a small extent	Not at all
Please select the most appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please describe where it did.

Please describe where it did not.

**Q 87 Has the PRI Reporting and Assessment survey and process improved compared to last year?**

	Strongly improved	Improved	Same	Worse	Much worse	It is my first time / Not applicable
Please select the most appropriate			✓			

**Please describe the three main improvements you noticed.**

**Please describe the three main drawbacks you would like improved.**

**Q 88 If you have any additional suggestions or comments on the Reporting and Assessment process, please share them with us. This is also where you can indicate issues relating to the appropriateness of the survey in relation to your specific asset classes.**

**Additionally, we would like your thoughts on the mandatory disclosure requirements that will be introduced in 2012. Based on this year's survey can you highlight:**

- a. which information (questions) you would not want to publish, if any, and why; and**
- b. which information (questions) you would have no problem in publishing and why.**

It would be nice if it was clearer how the answers are scored and weighted. PRI could provide a spreadsheet that calculated the scores.