APPENDIX 1

Blackrock - UK Equity and Global Bonds

The overriding purpose of Blackrock's responsible investment philosophy is to protect and enhance the economic interests of its clients. BlackRock integrates ESG into its business through three areas:

- voting and engagement,
- investing, and
- product development.

They have a dedicated investment stewardship team of 22 professionals who work with the portfolio managers.

ESG considerations are integral to its investment stewardship activities of voting and engagement. They do not see it as their role to make social, ethical or political judgments on behalf of clients. Where no client-specific policy restrictions are mandated, Blackrock has its own principles which govern the manner in which responsible investment and ESG issues should be addressed. As a large investor, they are able to monitor the companies in which they invest and to engage with them constructively and privately where they believe that would help protect clients' interests.

As a fiduciary investor, Blackrock evaluates how companies manage the material ESG risks to their businesses, and may engage when there is an indication of a lack of operational excellence in this regard. They hold company leadership accountable for performance against the strategy it sets out to achieve.

Blackrock undertakes proxy voting as their broadest form of engagement. They are pragmatic in their engagement, and as a long-term investor, prefer to give management and boards time to change their approach in the way they believe best serves the company. At no time do they try to micro-manage or instruct companies what to do.

They engage with company management teams and look to address concerns where they have a specific ESG issue, including issues of corporate responsibility and remuneration.

Blackrock believes engagement is a more effective way of using their influence with company management to change behaviour rather than a simple vote abstention or vote against. Although they may vote against management where they have not responded to their concerns.

Blackrock's activities to integrate ESG into the investment process are varied, and mirror the diversity of clients they serve, as well as the range of investment strategies and asset classes they offer. They believe environmental, social, and governance factors tend to become financial issues over the long-term time horizons in which their clients invest. At Blackrock, investment teams design portfolio construction processes appropriate to their investment objectives and clients' needs. To aid ESG integration across the firm, they provide investor education, and work to integrate issuer ESG information into the tools which Blackrock investors use to make investment decisions and monitor portfolios.

Fundamental Active Equity

Blackrock's fundamental equity investors meet with companies as part of due diligence, and use investment stewardship to frame and participate in engagements with owned companies as another route to integrating ESG. They constantly look to improve and evolve their processes in order to help improve performance for their clients. In 2015, they integrated key ESG metrics, including three carbon-related ones, into their investment and risk management platform, Aladdin.

Fundamental Active Fixed Income

Generally, Blackrock fixed income investors consider material ESG factors as they relate to an issuer's creditworthiness. More specifically, Blackrock's investment grade credit research team includes ESG information alongside credit ratings and internal research opinions in regular research communications to active fixed income portfolio managers. Where applicable, they consider any factor that in their judgment will affect the creditworthiness of companies over time, which includes the financial impact of non-financial factors. These may include board leadership, management quality, and mitigation of risks (e.g., physical risks, reputational risk, regulatory risk and legal risks). These risks may come from climate change, social trends, consumer behaviour, or government intervention. In fixed income, the emphasis is on the protection of downside risk.

Product Development

Blackrock's mission is to create a better financial future for their clients. Their sustainable investment products and services are designed to enable their clients to reach their financial goals and meet the spectrum of needs and investment objectives they hold. Blackrock offers investment products and services which concentrate investment universes to align with client preferences, integrate ESG considerations, and generate measurable impact outcomes. These strategies, make up a platform of investment options available across asset classes to our clients across the globe.

Newton - Global Equities

Newton believes that ESG issues can have a material impact on company value and aim to identify ESG risks and opportunities faced by companies to ensure that challenges are well managed, engaging with the company when necessary.

Newton takes a rigorous approach to corporate governance and proxy voting taking their stewardship responsibilities to their clients very seriously. Newton always votes actively meaning they will support or withhold support from management only abstaining when a conflict of interest exists.

In formulating and implementing a responsible investment policy Newton has considered its responsibilities towards it clients regarding investment and performance, as well as its position as an agent acting on behalf of its clients.

As an active manager with an integrated ESG approach Newton has a separate responsible investment team that undertakes analysis on every holding in the Suffolk Pension Fund portfolio as an integral part its investment process. A quality rating is awarded to each stock prior to being added to the portfolio, with the rating being regularly reviewed during and after the holding period.

Newton aims to optimise performance returns for its clients by investing in well managed companies that ensure all internal practices and procedures observe all legal requirements and conform to best practice. ESG engagement is also conducted to encourage improvements or changes in the behaviour of a company as there is a belief that transparency helps to minimise the impacts of any negative publicity for a company and its shareholders.

Industry Groups and involvement

- Asian Corporate Governance Association (ACGA) - Newton is a participating member which works with investors, companies and regulators to implement effective corporate governance practices throughout Asia.
- Carbon Disclosure Project (CDP) – Newton is a signatory which is an independent not for profit organisation holding the largest database of primary corporate climate change data in the world which is used to identify climate, forest and water related risks.
- Corporate Governance Forum – Newton is an active member in the meetings which are held to discuss industry wide and company specific corporate governance issues.
- International Corporate Governance Network (ICGN) – Newton is an active member of the group which bring together corporate governance professionals from around the world and provides an international forum for discussion of recent developments and initiatives in corporate governance.
- Institute of Chartered Secretaries and Administrators (ICSA) – Newton's head of corporate governance is a fellow of the institute which as the trade body for company secretaries provides guidance notes and influences public policy relating to corporate governance.
- The Investment Association is the representative trade body for the UK investment management industry. Newton's CEO is chair.
- Pensions and Lifetime Savings Association (PLSA) – Newton is a member of the PLSA which is active in the development of good corporate governance and provides guidance on best practice on the investment management industry.

- UK Sustainable Investment and Finance Association (UKSIF) is a membership network for organisations involved in responsible investment and aims to promote the development of sustainable practices within the financial sector.
- UK Stewardship Code – Newton complies with each of the seven principles of the code which is overseen by the Financial Reporting Council (FRC).
- Newton has been a signatory to the United Nations Principles for Responsible Investment (UNPRI) since February 2007. Newton participates in the PRI's annual assessment survey and remains a supportive signatory.

M & G - Global Bonds

M&G, aims to generate superior long-term returns for its investors, whether investing in equities, fixed income, or property and see themselves as stewards of their clients' assets taking seriously the responsibilities that come with this role.

Part of their job as a responsible investor is to consider all the factors which might materially affect long-term investment outcomes, including environmental, social and governance (ESG) issues. These considerations are incorporated into their investment decisions, wherever they may have a meaningful impact on risk or return.

The M&G Responsible Investment Advisory Committee oversees the governance and management of responsible investment activities across the business, while individual team members have specific responsibility for coordinating activity within each asset class.

Industry Groups and involvement
M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and has committed to adhere to the Principles where they are consistent with M&G's fiduciary responsibilities.

Legal & General - Passive mandates

Legal & General take governance very seriously devoting significant resources to this effort believing that the management of corporate governance enhances the value of their assets.

Influence rather than noise
They believe that real change is best achieved through being an engaged and active owner. Ongoing and proactive dialogue with companies is therefore a fundamental aspect of the Corporate Governance team's activities.

The Corporate Governance team is tasked with delivering on their principles. Resources are divided by geography and sector responsibilities. This creates specialist knowledge which enhances engagement and focuses activities. The strategy is executed by shaping the corporate governance landscape, voting and engaging with companies on the clients' behalf and integrating ESG into the investment process.

Shaping the corporate governance landscape

As one of the largest institutional asset managers globally, Legal & General use their scale to bring about change and represent their clients in the most influential way. Addressing long-term issues such as climate change, evolving regulatory hurdles and shifting societal demands is a key component of their engagement efforts.

The scope of their activities continues to grow, not only in geographical terms but also with the breadth of subjects and policies covered. During the year, particular attention was paid to improving the performance of companies by seeking to ensure boards remain relevant and diverse. Recently they have also been focusing on how companies are prepared for the impact of climate change.

Voting and engagement

Ongoing dialogue with companies is a fundamental aspect of LGIM's responsible investment commitment and this is undertaken both independently and collaboratively with other investors. Legal & General believe that voting and engagement are closely linked and complementary.

Engagement gives them the opportunity to learn about the company's strategy, operations, financial and external challenges and opportunities, all of which are essential for them to exercise their duty effectively. Ongoing dialogue with companies means that they can express their concerns before votes are cast, which allows an exchange of constructive ideas between Legal & General and the company and can often result in change.

Industry Groups and involvement

Legal & General participates in industry and regulatory dialogues, responding to consultations in various markets as we try to influence new approaches and raise industry standards.

- Stewardship Codes – Legal & General is fully supportive of and complies with the UK Stewardship Code, the Japan Stewardship Code and Malaysian Stewardship Code for institutional investors. They believe that the combination of healthy stewardship and company engagement should be encouraged throughout the investment community.
- Legal & General signed up to the United Nations Principles for Responsible Investment (UNPRI) in September 2010, in order to demonstrate their commitment to engage with companies on ESG issues and work together with other investors and asset owners in driving the responsible agenda forward.

Pyrford - Absolute Return

Corporate Governance / Proxy Voting

Pyrford regards the standards of corporate governance as one of the deciding factors in whether to include a country in their investible universe. At the country level, they consider issues such as disclosure requirements, voting structures, takeover regulations and accounting standards. The guiding principle must be that all shareholders are treated equally and minority shareholders are not intrinsically disadvantaged by the existing regulations.

The policy in relation to proxy voting is contained both in individual client agreements and in Pyrford's compliance and procedures manual.

Portfolio managers are responsible for all proxy voting in their areas of geographic responsibility. Each issue is considered separately and the results are documented. The operations department is responsible for bringing proxies to the attention of the relevant portfolio managers. These notices are sourced through risk metrics' browser based notification system, VoteX. After the Portfolio Manager has made a voting decision, this is relayed to risk metrics, who in turn lodge the voting decision with the issuing company.

Ethical / SRI Considerations
They do not have specific SRI filters in their investment process, although they would accept a client's restriction in this regard - for example the prohibition of investing in tobacco companies. Their process focuses on long-term sustainability of earnings, although they would always consider the impact on future earnings caused by a company's unethical behaviour.

Pyrford includes an Environmental & Social Governance rating in their stock summary analysis, which is one of the outputs from the bottom-up stock selection process, in addition to four corporate governance indicators (ownership structure, voting structure, accounting disclosure, governance track record). It is the responsibility of the portfolio manager/analyst to rate each of these from 1 to 5. They have engaged the services of a specialist ESG provider, MSCI, to provide advice and support in this area of research. MSCI provide them with specialist research into the ESG impacts of investee companies. When a company's MSCI rating falls, the reasons for it are discussed in detail by the Pyrford investment team and when that rating falls to B or CCC and "out-of-cycle" engagement takes place with the company to identify why.

Industry Groups and involvement
- Pyrford are signatories of The Financial Reporting Council's UK Stewardship Code.
- Pyrford is a signatory to the United Nations Principles for Responsible Investment (UNPRI).

Winton - Hedge Fund

Winton takes its fiduciary responsibilities seriously and believe in responsible capitalism. They consider that corporate social responsibility for an investment manager encompasses both how they behave as an organisation, and the investment decisions made and aim to operate responsibly in both areas.

Winton's ESG Principles

Winton's investment approach is systematic and data driven, and in contrast to traditional investment management does not involve analysts or portfolio managers making qualitative assessments of assets or markets. Their investment decisions instead rely on sophisticated computer programs which exploit predictive signals by analysing vast amounts of data, including equity and futures prices, company accounts, and more. While the programs themselves are designed by scientists and backed by rigorous research, the decision to buy or sell an asset is automated. Their approach to ESG integration is similarly systematic.

Principle 1 - ESG integration in the investment process

Winton seeks to avoid economic exposure to companies that:

1. Are known to have made repeated and severe violations of globally accepted norms in the areas of human rights, environment, labour rights, and anti-corruption.
2. Have direct involvement with the production of landmines and cluster bombs. These indiscriminate weapon types are banned under the Ottawa Treaty ("Mine Ban Treaty") and the Convention on Cluster Munitions. Winton is headquartered in the United Kingdom which has ratified both these treaties. Winton does not apply a percentage of revenue threshold in this regard.

Principle 2 – Active Ownership

Since 2012 Winton has voted in the AGMs and EGMs of the companies in which they invest. Winton has engaged a leading third-party corporate governance research service, ISS Europe Ltd. to provide proxy voting guidelines and to vote proxies. Operational aspects of voting are outsourced to ISS, and votes are processed according to an agreed voting policy. The voting policy consists of guidelines that reflect best practice corporate governance, taking into account local market differences.

Winton's voting policy provides for Winton to exercise discretion and vote proxies in a manner other than according to the service provider's guidelines. The policy also provides caveat for circumstances when Winton may not vote proxies for certain equity positions.

Principle 3 – Seeking disclosure on ESG issues

Winton does not have any direct contact with invested companies, as their systematic approach means shares are bought or sold automatically by their investment systems. That aside, the proxy voting policy supports shareholder resolutions calling for greater transparency on ESG and sustainability issues.

Winton utilises the services of an external ESG research company to obtain disclosure concerning ESG data.

Principle 4 – Promoting acceptance and implementation of the principles

As Winton is not an asset owner and does not utilise external managers for its strategies, their ability to influence industry acceptance of the principles is limited. However, as one of the largest global managers in this category, they believe their entry to the UNPRI will encourage others.

Principle 5: Working together to enhance implementation

Winton's ESG initiatives commenced with the signing of the UNPRI in 2014. Being a founding member of the HFSB, Winton has a track record of collaboration to improve standards in our industry, and continue to work towards this with respect to ESG.

Winton regularly participates in industry conferences where ESG is featured on the agenda and continue to look for other appropriate collaboration opportunities.

Principle 6 - Reporting on ESG activities and progress

As a UNPRI signatory Winton are obliged to produce an annual report on their progress towards implementing the principles. The 2016 progress report to the UNPRI has been filed.

Winton aims to be transparent about its responsible investment activities and this policy document will continue to be updated as their ESG management processes mature.

Industry Groups and involvement

- In March 2014 Winton Capital Management became a signatory to the United Nations Principles of Responsible Investment (www.unpri.org).
- Hedge Fund Standards. Winton is one of the founding members of the Hedge Fund Standards Board (www.hfsb.org). The HFSB was established in 2008 in an effort to develop standards around disclosure, valuation, risk management, governance, and shareholder conduct.
- Environmental responsibility. Winton is mindful of its environmental impact and seeks to adhere to the relevant environmental standards in the countries in which it operates, wherever possible. In its headquarters in London, Winton entered into an agreement with the Low Carbon Workplace Trust to aim to deliver low-use carbon emissions based on: improving the fabric of the building, deploying high-efficiency technologies to heat, cool and ventilate the space, and reducing operational energy consumption through sophisticated energy monitoring and achieving energy usage levels well below the suggested ECON19 benchmarks.

KKR – Infrastructure

KKR believe that the thoughtful management of environmental, social, and governance (ESG) issues is smart business and see it as an essential part of long-term success in a rapidly changing world. KKR is committed to investing responsibly by integrating material ESG considerations into their private markets investment processes.

They believe that companies that carefully manage ESG risks and opportunities today should be better situated in the future as diminishing resources, changing consumer demands, and increased regulation are expected to pose greater challenges and opportunities.

KKR believe that their capital, operational capabilities, and long-term ownership model position them to be part of the solution. They are committed to managing ESG factors in their diligence process and in the management of our investments through a series of proactive programs and ongoing support.

KKR continues to thoughtfully approach the ESG opportunities and challenges that they face finding new ways to create sustainable value for their investors.

KKR commits to consider material ESG issues in the course of its due diligence and in the monitoring of portfolio investments and seeks to consider environmental, public health, safety, and social issues associated with target companies when evaluating whether to invest in a particular company or entity, as well as during the period of ownership.

KKR commits to grow and improve the companies in which it invests for long-term sustainability and to benefit multiple stakeholders, including on environmental, social, and governance issues. To that end, KKR will work through appropriate governance structures (e.g., board of directors) with portfolio companies with respect to environmental, public health, safety, and social issues, with the goal of improving performance and minimising adverse impacts in these areas.

KKR uses governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest, and to implement compensation and other policies that align the interests of owners and management.

They remain committed to compliance with applicable national, state, and local labour laws in the countries in which KKR invests; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, will respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.

KKR encourage strict policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention.

They respect the human rights of those affected by KKR's investment activities. KKR does not invest in companies that utilise child or forced labour or maintain discriminatory policies.

Industry Groups and involvement

- In 2009 KKR became a signatory to the United Nations Principles of Responsible Investment.

- Member of the American Investment Council and helped to develop the guidelines for responsible investment.

Partners – Infrastructure

Private markets investment managers enjoy much greater insights than public markets managers into their portfolio companies. The best-performing private markets investment managers leverage this knowledge, together with a long-term and active ownership model, to drive sustainable value creation and ensure ESG factors are well managed in the investments they make. In addition, the alignment of interests between owners of assets and their management teams inherent in private markets investing facilitates efficient decision-making, allowing for a responsible ownership model to be implemented more effectively.

Partners Group's commitment to responsible investment is deeply embedded in their charter, which defines their purpose, vision and values and guides their everyday activities.

Partners Group are fully committed to investing their clients' capital in a responsible manner to create a lasting positive impact by managing assets with a long-term perspective. Over the years, they have established and enhanced their approach to responsible investment and have developed a responsible investment policy and framework.

The framework is applied to each investment opportunity and ensures that ESG factors are integrated throughout the investment cycle across all private markets asset classes. It is believed that this approach mitigates investment risk and has the potential to enhance investment returns in the best interest of the clients and their beneficiaries.

Partners Group believe that the integration of material environmental, social and governance (ESG) factors into their investment processes is a core part of their fiduciary duty to act in the best interests of their clients and their beneficiaries.

Policy and Methodology

Partners Group's Responsible Investment Policy highlights two reasons for integrating ESG factors:

- Investment-related: to mitigate investment risk and, where possible, enhance investment returns.
- Reputation-related: to ensure that the assets in which they invest on behalf of their clients respect and, where possible, benefit society and the environment.

Partners Group ensure their policy is consistently applied by requiring investment teams to follow the relevant processes for integrating ESG factors for each asset type.

In line with the ESG principles and practices Partners Group applies to its investments, they also want to ensure that the firm is managed in a responsible manner, with a high commitment to good corporate governance and responsible business practices, as well as ongoing development of a global and diverse leadership team. This strong corporate culture supports development and ensures the sustained success of the business over the long term.

Industry Groups and involvement

Partners Group were one of the first private markets investment firms to join the United Nations Principles for Responsible Investment (UN PRI) when they became a signatory in 2008.

- Sustainable Accounting Standards Board (SASB) - SASB develops and disseminates sustainability accounting standards that help companies disclose material ESG information to investors. Partners Group believes that by drawing on SASB's standards, they can more easily identify material ESG factors which need to be assessed during due diligence for each potential investment.
- UN Global Compact - The UN Global Compact is the leading global initiative to encourage companies to operate responsibly. It was launched in 2000 and has over 8,300 corporate signatories. Based on its leading reputation, Partners Group have embedded the UN Global Compact's principles as a reference for the standards that their direct investments should meet.

Pantheon - Private Equity

Pantheon is driven by the conviction that addressing ESG issues is a crucial part of investment risk management and effective mitigation of these issues can have a material impact on value creation in private equity. ESG initiatives therefore form a key element of Pantheon's investment philosophy and approach. Pantheon only invests with General Partners that have a similar philosophy to their own and that can demonstrate robust processes in mitigating ESG risks.

Pantheon has formally incorporated ESG factors into their due diligence process. Their approach includes analysing the General Partners ESG approach and capabilities pre-investment (and in the case of secondaries and co-investments the ESG risk profile of the assets); as well as maintaining ESG risk monitoring of the investments on an ongoing basis. The ESG due diligence findings are formally documented in investment recommendations, with potential concerns flagged for consideration by the investment committees.

The various aspects and objectives of Pantheon's ESG approach are listed below.

- Take account of ESG issues as part of the investment process, with the results forming a key element of the overall analysis on investment opportunities;
- Engage with the General Partners (GPs) to promote the importance of ESG issues; ascertain the extent to which GPs factor ESG risks in to their investment process; and where necessary provide advice;
- Provide on-going training to Pantheon investment professionals on the ESG due diligence process and the importance of factoring this into the overall investment approach;
- Maintain ESG risk monitoring post-investment, formally assigning ESG risk ratings to underlying companies, funds and GPs;

- Follow a policy of active ownership, raising ESG concerns both informally in interactions with GPs and more formally at Advisory Boards;
- Endeavour to keep the investors aware of the level of ESG risks within their portfolios through ESG risk reporting; and encourage GPs to provide similar level of reporting on ESG risks;
- Provide advice and education on ESG to investors through updates and tailored workshops; and promote the importance of ESG across the industry more broadly through representation on ESG working groups and participation at conferences, encouraging all industry participants to recognize and act on ESG issues; and
- Continue to develop and enhance Pantheon's ESG approach to maintain a leading position in the industry.

Industry Groups and involvement

- Principles for Responsible Investment (PRI) – Pantheon is a signatory and has used these principles as a framework to develop its ESG policy across all its investment activities.

Wilshire - Private Equity

Wilshire firmly believes in the value of incorporating environmental, social and governance (ESG) factors when evaluating investment opportunities as well as measuring portfolio risks. To that end, Wilshire recently signed the United Nations-supported Principles for Responsible Investing (PRI), which is recognised as the leading global network for investors and financial industry participants who are committed to integrating ESG considerations into their investment practices and ownership policies.

Wilshire continues to build upon and introduce new ESG-focused initiatives, and works with its clients to integrate PRI's principles into their investment strategies as appropriate. Wilshire also intends to work closely with the wide network of international signatories to achieve PRI's mission of encouraging the financial industry to adopt and integrate ESG principles to develop a more sustainable global financial system.

Accordingly, Wilshire is increasingly evaluating ESG policies as part of its manager due diligence processes, and has begun to proactively engage with portfolio managers to further their understanding and ability to comply with ESG principles.

In general, and consistent with many of the factors Wilshire evaluate for their clients, they typically identify specific ESG factors that they believe would be relevant to that specific client. In fund-of-funds vehicles, underlying portfolio managers are responsible for ESG matters within underlying portfolio companies. To monitor this, some of Wilshire's senior-level portfolio managers, who also sit on its Investment

Committee, have experience working with institutional investors that have developed and implemented ESG policies in their portfolios.

Industry Groups and involvement

- Principles for Responsible Investment (PRI) – Wilshire is a signatory and has used these principles as a framework to develop its ESG policy across all its investment activities.