Engagement Policy Implementation Statement

AWE Pension Scheme (the 'Scheme')

The Engagement Policy Implementation Statement ("EPIS") has been prepared by the Trustee and covers the Scheme year 1 April 2021 to 31 March 2022.

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustee produces an annual statement which outlines the following:

- Explain how and the extent to which the Trustee has followed its engagement policy which is set out in the Statement of Investment Principles ("SIP").

- Describe the voting behaviour by or on behalf of the Trustee (including the most significant votes cast) during the Scheme year and state any use of third party provider of proxy voting services.

Executive summary

Based on the activity over the year by the Trustee and its investment managers, the Trustee believes that the stewardship policy has been implemented effectively. The Trustee is comfortable that the investment managers are exercising their respective voting and engagement duties, where applicable, to a satisfactory level at this stage. However, in some instances, the Trustee noted it would require clarification on the outcome of engagement activities, and further examples of significant votes, including the rationale behind them. The Trustee and its investment consultant have expressed this to the underlying managers and welcomes the efforts they are undergoing to improve reporting on this topic.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on investment managers and their significant influence to generate positive outcomes for the Scheme through considered voting and engagement.

The Trustee will continue to use its influence to drive positive behaviour and change among the investment managers that it has employed to invest the assets of the Scheme, and with other third parties that the Trustee relies on such as its investment consultant.

Scheme stewardship policy

The below bullet points summarise the Scheme's stewardship policy in force over the Scheme year to 31 March 2022.

The full SIP can be found here: (awe.co.uk)

- *The Trustee wishes to ensure that its influence as a share owner is used to safeguard and raise standards of corporate governance and social and environmental management within its investee companies and believes that this will contribute to raising long-term financial returns.*
- *As part of its delegated responsibilities, the Trustee expects the Scheme's investment managers to: 1) Where appropriate, engage with investee companies with the aim to protect and enhance the value of assets; and 2) exercise the Trustee's voting rights in relation to the Scheme's assets.*

Scheme stewardship activity over the year

Ongoing monitoring

Investment monitoring takes place on a quarterly basis with a monitoring report being provided to the Trustee by Aon. The report includes ESG ratings and highlights any areas of concern, or where action is required. The ESG rating system is for buy-rated investment strategies and is designed to assess whether investment managers integrate RI, and more specifically ESG considerations, into their investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund manager. Aon's researchers also conduct a review of the managers' RI related policies and procedures, including a review of their RI policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader RI developments.

The Trustee takes this monitoring further by engaging with its investment managers on an annual basis through a deep dive manager meeting. Through these meetings the Trustee seeks to understand, amongst other items, the thesis behind the underlying holdings, how the manager approaches ESG and their outlook for the market. This is recorded in the Scheme Engagement Framework, which is updated quarterly.

As part of their monitoring procedures, following the Russian invasion of Ukraine, the Trustee immediately confirmed with managers that exposure to Russian assets was minimal and, where appropriate, that managers were developing plans to comply with any potential sanctions. It was noted by Aon that the Trustee had been early to take action to engage with the investment managers following the emergence of the conflict.

This was developed further in terms of the Trustee's Responsible Investment (RI) Policy, with the Trustee considering jurisdictions in which they have concerns with regards to ESG factors. It was agreed that following the completion of the Responsible Investment beliefs survey in 2022, the ALCo would incorporate any action taken in relation to mitigating specific geopolitical concerns within the Scheme's RI policy.

Industry Initiatives

In 2021 the Trustee considered whether the Scheme should apply to become a signatory to the UN Principles for Responsible Investment. The Trustee agreed to apply at the start of this reporting year (April 2022). The Scheme is awaiting confirmation of the status of its application.

Also, over the year the Trustee considered aligning with the Make My Money matter Green Pensions Charter. The pressure group are currently targeting the public to generate member interest and encourage engagement with their pension schemes and sponsors. The Green Pensions Charter is nota sophisticated framework, but it has publicity benefits for the Scheme. It was agreed that the Trustee would not sign up to the framework but would maintain dialogue with the sponsor and if the sponsor made a commitment in future the Scheme would follow suit.

Climate risk management / TCFD / carbon reporting

The Scheme is currently progressing towards meeting the requirements as set out as part of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better informed decision-making on climate-related financial risks. Aligning the Scheme to the TCFD can be a long process and requires careful planning. Aon is currently working with the Trustee to develop a framework to meet the reporting requirements before the Scheme's staging date, 1 October 2022.

Manager appointments

The Trustee has an ESG-focussed action plan that includes a review of its existing and newly appointed fund managers. This action plan was followed when selecting both CVC EU Direct Lending and Chorus Capital Credit Fund V. Historically this process has included a review of a prospective manager's global credit allocation, where the manager has been instructed to reduce its carbon exposure. Additionally, as part of the Scheme's hedge fund and illiquid credit manager selection, the manager's ESG credentials were actively considered by the Trustee to ensure they were aligned with the Scheme's policies.

Discussions with the sponsor to align applicable ESG objectives
The views of the sponsor, where applicable, have been aligned to the Scheme's ESG objectives. For example, this includes manager appointments and changes to the SIP. Furthermore, the Trustees and sponsor have jointly received training, delivered by Aon, on regulatory matters relating to stewardship and responsible investment in a broader context. The Trustee is due to receive an update from the sponsor on their net zero targets and climate change risk management in June 2022.

ClearGlass and McLagan
Over the year the Trustee received the ClearGlass cost and transparency report for calendar year 2020. The statement provided a consolidated summary of all the investment costs incurred in having assets invested with the Scheme's investment managers over 2020. A breakdown of the costs into their various component parts was also provided, including the costs of buying and selling assets (transaction costs) incurred by the underlying managers. The Scheme then proceeded to benchmark these costs using McLagan. The cost transparency and fee benchmarking process will be completed annually.

Voting and Engagement activity – Equity and multi-asset funds

Over the year, the material equity investments held by the Scheme were:

Fidelity International	Emerging Market Equity Fund
Lazard Asset Management	Global Listed Infrastructure Equity Fund

In this section there is a summary of voting information and examples of significant voting activity for each of the Scheme's relevant investment managers. The investment managers provided examples of 'significant' votes they participated in over the period. Each manager has its own criteria for determining whether a vote is significant. Examples of what might be considered a significant vote are:

- a vote where a significant proportion of the votes (e.g. more than 15%) went against the management's proposal
- where the investment manager voted against a management recommendation or against the recommendation of a third-party provider of proxy voting
- a vote that is connected to wider engagement with the company involved
- a vote that demonstrates clear and considered rationale
- a vote that the Trustee considers inappropriate or based on inappropriate rationale
- a vote that has significant relevance to members of the Scheme

Fidelity International ("Fidelity") – Emerging Market Equity Fund

Voting

Fidelity largely processes voting instructions electronically via the proxy voting agent Institutional Shareholder Services ("ISS"). Additionally, it subscribes to a number of corporate governance and voting advisory services while ensuring all eventual voting decisions are always made in accordance with Fidelity's established policies and voting guidelines.

It votes where there is a regulatory obligation, or the expected benefit of voting outweighs the expected costs. Fidelity has a Sustainable Investing Team that consolidates Fidelity's approach to stewardship, engagement, ESG integration and the exercise of votes at general meetings.

To ensure avoidance of conflicts it has a Conflicts of Interest Policy, and the Conflicts Oversight Forum meets on a quarterly basis to review any issues involving material conflicts occurring the previous quarter.

Fidelity stated that it determines "significant" votes using the following assessment conditions primarily, although additional relevant factors may be taken into account;

- Intrinsic conditions, such as the size of the position, nature of the agenda item or the issuer's market.
- Extrinsic conditions; which includes factors that are dependent on views or special situations internal to Fidelity or that occur in the market.

The table below shows the voting statistics for Fidelity's Institutional Emerging Markets Equity for the year to 31 March 2022.

Number of resolutions eligible to vote on over the period	858
% of resolutions voted on for which the fund was eligible	99.8%
Of the resolutions on which the fund voted, % that were voted against management	4.3%
Of the resolutions on which the fund voted, % that were abstained from	1.2%

Source: Fidelity

Voting example

In June 2021, Fidelity voted against management on a director election for an automotive retail and services company, Zhongsheng Group Holdings Limited. This was due to board diversity concerns from the lack of female representation on the company board. Fidelity is supportive of gender diverse boards and regularly encourage investee companies to adopt objectives for more equitable gender representation. Where the board's gender diversity falls short of market or sector practices, Fidelity will vote against proposals regarding such elections.

As an outcome, the resolution was approved. Fidelity stated that it will continue to vote in a manner that promotes diversity at its investee companies.

Engagement

Fidelity pursues an active investment style through portfolio management decisions, maintaining an ongoing dialogue with the management of investee or potential investee companies and voting on resolutions at general meetings. Engagement activities are carried out by portfolio managers, investment analysts, the sustainable investing team and other investment team members throughout the investment lifecycle. The purpose is to gather information and monitor company activities, as well as to effect positive corporate change in the long term interests of its clients.

In Q2 2021, Fidelity engaged with Samsung Electronics, a Korean semi-conductor and consumer electronics manufacturer. The engagement took place by the Sustainable Investment team writing a letter expressing concerns regarding executive remuneration and capital allocation.

One concern addressed as part of the engagement, was regarding the company's dividend pay-out ratio, which had been low. The company explained that holding cash enabled it to execute capital expenditures amid the challenges of the COVID-19 pandemic. It also explained difficulties bringing all cash back from its operations overseas to Korea due to tax considerations. Going forward, the company looks to significantly increase research and development and capital expenditure and carry out mergers and acquisitions to maintain its leadership in key areas following continuously uncertain business environment and COVID-19.

Fidelity plan to continue engaging with the company in the future.

Lazard Asset Management ("Lazard") – Global Listed Infrastructure Equity Fund

Voting

Lazard's Global Proxy Voting Policy has established procedures and protocols that seek to ensure that its proxy voting activities are consistent with the objective of maximising long-term shareholder value on behalf of its clients.

To assist in its proxy voting activities, Lazard currently subscribes to advisory and other proxy voting services from ISS and Glass Lewis. These proxy advisory services provide independent analysis and recommendations regarding companies' proxy proposals. Whilst this research helps to improve Lazard's understanding of the issues surrounding a company's proxy proposals, Lazard's investment professionals are ultimately responsible for providing the vote recommendation for a given proposal in accordance with the Global Proxy Voting Policy.

Number of resolutions eligible to vote on over the period	342
% of resolutions voted on for which the fund was eligible	100.0
Of the resolutions on which the fund voted, % that were voted against management	11.7
Of the resolutions on which the fund voted, % that were abstained from	0.0

Source: Lazard

Voting example

In April 2021, Lazard voted against the proposal to approve a remuneration policy for Ferrovial SA, a transport company. Lazard stated that the renumeration policy provides reasonable disclosure of the company's executive compensation policies and structure. However, it remains concerned about the company's policy to grant the executive chair, a significant shareholder of the company, remuneration in the form of equity. As such, Lazard do not believe this proposal merits shareholder support.

As an outcome, the vote was passed.

Engagement

At Lazard, the decision to engage with the management of an investee company is primarily based on what Lazard investment professionals believe will maximise shareholder value in the long-term. These engagements are undertaken by the same Lazard investment professionals that perform financial analysis, as part of integrated ESG research.

The investment professionals may engage with company management on a variety of issues, including ESG matters that present a potential material risk to a company's financial performance. On occasion, companies seek Lazard's input on a range of issues, and Lazard investment professionals may play an active role in seeking to implement changes that maximise shareholder value.

Lazard has engaged with National Grid since 2019 on the topic of climate change and to ensure the development of their renewable energy business does not destroy shareholder value. Lazard's discussion centred on price discipline, investment opportunities and the operational skill set.

Lazard had two meetings in Q1 2021 with National Grid management relating to the strategic pivoting towards electricity, which is directed by ESG criteria. In early May 2021, Lazard engaged with the new National Grid Chair to discuss capital allocation and investment strategy in the energy transition. In addition, Lazard also separately met with the CEO in late May 2021 to discuss the Western Power Distribution (WPD) acquisition in more detail and the process to divest the gas transmission business in the UK.

In November 2021, Lazard had a meeting with National Grid following an investor day on ESG. Discussions centred on new financial targets and growth trajectory, along with drivers of investment in renewables integration and resilience.

The engagement is ongoing and the manager will continue to monitor it closely.

Engagement activity – fixed income and alternative funds

Whilst voting rights are not applicable to non-equity mandates, the Trustee recognises that debt investors have significant capacity for engagement with issuers of debt. Debt financing is continuous so debt issuers have a vested interest to make sure that investors are happy with the issuer's strategic direction and policies. Whilst upside potential may be limited in comparison to equities, downside risk mitigation and credit quality are critical parts of the investment decision-making process.

The Trustee welcomes that a significant number of managers are actively involved in ongoing industry initiatives and are signatories to the UK Stewardship Code[1] and the PRI, the leading proponent of responsible investment. The Trustee expects that this partnership will encourage further beneficial activity, focus and collaboration on improving standards in ESG integration and stewardship on the Scheme's behalf.

The following examples demonstrate some of the engagement activity carried out by the Scheme's fixed income managers over the year.

[1] The UK Stewardship Code sets out high stewardship standards for asset owners and asset managers and for service providers that support them. https://www.frc.org.uk/getattachment/5aae591d-d9d3-4cf4-814a-d14e156a1d87/Stewardship-Code_Dec-19-Final-Corrected.pdf

DRC Capital ("DRC") – UK Whole Loan Fund

DRC aims to incorporate environmental and sustainable analysis into its investment process. As well as engaging with borrowers of assets, DRC strongly considers engagement with Commercial Real Estate ("CRE") Debt Fund Industry Bodies advisors, aiming to improve the industry-wide coverage of ESG matters in CRE debt. It believes that climate and environmental issues are one of the leading areas where CRE lenders can make a difference in the overall improvement to the CRE debt sector.

In 2021, DRC engaged with Project Laser House on the topic of environmental improvement to the project's asset through debt financing of capex. DRC set out the engagement processes which was followed through communication with Project Laser's borrower.

DRC engaged with the borrower from the initial screening stage and through the ongoing lifecycle of the investment. DRC requested detailed information on the borrower's ESG intentions with the asset. DRC appointed a third party consultant - Nova Consulting - who provided an independent report on the environmental aspects of the loan. DRC then went on to engage with the borrower to discuss the capital expenditure ("capex") program and the size of the capex budget in order to achieve certain requirements for the asset. The requirements discussed included i) Carbon Emissions and GHG, ii) Building Certification, iii) waste and Water Pollution and iv) Building Certification. When the investment had closed, a Project Monitor was appointed to manage the ongoing reporting and comparison of actual works versus the budget. The Asset Management team then monitored all loans and discussed underlying investment performance with the borrower.

M&G Investments ("M&G") – Debt Opportunities Fund IV

M&G developed its engagement process through adopting the Sustainable Accounting Standards Board ("SASB") framework. It uses this framework to structure its research and engagement activity, allowing it to incorporate ESG factors into the investment process for its holdings at all stages. On a case-by-case basis, M&G would submit its own response, if its views are expressly different to those of its peers or if the matter is of material consequence to its business, clients and the communities it serves. It provides technical feedback on ESG topics to regulators. Feedback is provided by both its trade bodies and directly to relevant national competent authorities, such as the Financial Conduct Authority, Prudential Regulation Authority and other rule makers in its key markets.

In 2021, M&G engaged with 81 entities, and concluded 49 engagements where the objective was achieved. It engaged on an array of specific, systemically important environment and social themes.

M&G met with Cheplapharm, a German Pharmaceutical company, to discuss its ESG strategy, to encourage improved practices in relation to governance, and to ensure fair and ethical practices in relation to pricing strategies. Following the engagement, M&G felt positive as the company has made a commitment to bolster its board, and a promise to look into publishing its pricing policy

Chorus Capital – Chorus Capital Credit Fund IV

Chorus Capital partners with many of the world's largest banks and helps them to achieve their capital management objectives through risk-sharing transactions. Chorus Capital's engagement with banks when originating these transactions has enabled Chorus Capital to promote its ESG values by rejecting or reducing credit exposures to companies whose business profile is in conflict with its values, which in turn influences the bank's origination appetite for non-ESG friendly borrowers. Chorus Capital believes this is an effective way of exercising its ESG values and ensuring it has a real impact. Its beliefs are described in the firm's RI Policy, which was implemented in March 2019.

Chorus Capital reviewed a potential investment in June 2021. Chorus Capital's investment team screened the portfolio for any entities that were to be excluded according to the firm's RI policy. The team requested the exclusion of an investment-grade rated borrower which was disallowed due to the company's involvement with controversial weapons, which Chorus Capital has zero tolerance for. The bank agreed to remove the name. Chorus Capital interacted with senior management (Managing Director level) within the bank's Credit Portfolio Management team, which is responsible for manging the bank's loan portfolio, and undertaking risk-sharing transactions. The exposure was successfully removed from the portfolio and will not be added during any future replenishments.

Ninety One – Emerging Market Debt

Ninety One states that engagements form an integral part of its investment process, with the investment teams initiating engagement based on its investment processes and priorities. The ESG team provides engagement advice and targets material ESG themes and specific holdings that are significant to Ninety One and its clients. The team is accountable to executive leadership through the Investment Governance Committee for policy implementation and engagement on a quarterly basis.

Ninety One's engagements are broadly categorised into three areas:

1. Strategic – to bring about change and enhance return
2. ESG communications – to improve information, reinforce its voting rights and communicate voting decisions.
3. Theme-based – to focus on specific themes to reduce risk, improve information and link to its advocacy efforts

Over the Scheme year, Ninety One engaged with Eskom, an electricity public utility, to discuss the re-organisation of Eskom's business as it continues to make progress on its plan to split the company into three core divisions: Generation, Distribution and Transmission. Ninety One discovered that Eskom is focused on moving the transmission business into a new subsidiary company. Ninety One was concerned that current Eskom creditors may become structurally subordinated to the new subsidiary business which not only puts these creditors at a disadvantage, but also could potentially trigger an event of default, if not managed carefully. As a result, Ninety One joined an ad-hoc bond holder committee made up of large global and domestic investment managers and is working with the group to engage with the company in a co-operative manner to find solutions to managing Eskom's debt through the business re-organisation.

Barings – Global High Yield Credit Strategies

Barings states that it believes value is derived from transparent communication with the entities in which it invests, coupled with the expertise and discretion of experienced analysts and portfolio managers.

Barings broadly prioritises engagements according to the materiality of a topic to the investment case, as determined by its analysts' ESG research, as well as by the size of the holdings. The former affects the value that may be realized, and the latter may affect the chance of success. Barings prefers to engage proactively and on longer-term issues that may meaningfully affect investors but will also engage reactively and on shorter-term threats to value on an incident-driven basis. Barings believes that the most productive exchanges occur within the context of established relationships and rapports.

Barings aims to set objectives, milestones and appropriate timelines for each engagement, and monitor the success or failure of these milestones and objectives. It may escalate unsuccessful engagements by increasing the intensity or frequency of the engagement, by joining together with other investors in a collaborative engagement, or in some cases by divesting or declining to participate in future offerings. What Barings learns in engagement feed backs is fundamental to its ESG analysis and may result in changes to its investment thesis.

In September 2021, Barings engaged with a healthcare company regarding public health. Barings was approached to consider a new transaction for a healthcare company providing rehabilitation and mental health services. Barings' analysis and research team carried out the engagement with investor relations and company management. Barings' due diligence process highlighted some care quality issues at the group's health facilities. During the debt syndication process, the company intended to include sustainability Key Performance Indicators ("KPIs") in finance terms. Barings actively engaged with arrangers, senior management and the financial sponsor to push for the addition of KPIs for quality of patient care metrics, given this was determined as a key sustainability risk area.

The engagement was successful in achieving the addition of requirements for independent third-party quality ratings on medical facilities.

CVC Credit Partners – EU Direct Lending 2021 Fund

CVC's investment objective is to serve its clients' interests by maximising total investment returns while managing portfolio risk. CVC believes that ESG Considerations in the investment process is aligned with the investment objective.

CVC recognises and acknowledges that clients and their underlying investors may have very specific and stringent ESG mandates. As such, CVC seeks to work with its clients to agree to portfolio mandates reflecting its specific ESG investment guidelines and restrictions as part of the investment management services CVC provides.

CVC recognises the importance of the United Nations backed Principles for Responsible Investment ("**PRI**") in shaping ESG practices and defining ESG principles for financial services participants. As such, CVC is a signatory to the PRI and continually strives to develop and implement this policy to address and integrate PRI's six responsible investment principles.

Schroders Investment Management ("Schroders") – UK portfolio of underlying funds

Schroders' definition of engagement with regards to this asset class is primarily its relationship with tenants, where it seeks regular and ongoing engagement to ensure a good occupational experience to help and retain tenants. Its sustainability requirements for property managers include key performance indicators on tenant engagement for those who are responsible for the day-to-day relationship with tenants. Alternatively, engagement could be through Schroder Real Estate membership to industry groups such as the Better Budlings Partnership (BBP)[2] where all 24 members made the commitment to become carbon neutral by 2050.

Schroders presented an example in relation to Battersea Studios, London, which comprises two office buildings. A comprehensive review focusing on health and wellbeing credentials was undertaken by the manager to support understanding of tenant's needs. A wellness gap analysis was completed for the building and management operations against the Fitwel standard (a US based health and wellbeing assessment and certification routine for office buildings).

The review included conducting an occupant commuter survey to better understand transport requirements for building users (e.g. bike storage and showers), establishing an indoor air quality management policy and installing signs promoting stair use at lift call areas and handwashing in bathrooms.

Identified improvements have been implemented and Schroders continue to develop its understanding of what health and wellbeing aspects contribute to improved tenant experience to further improve the building and the Fitwel Certification rating.

Townsend Holdings LLC ("Townsend") – Townsend Global Core Real Estate Fund

Townsend focused its engagement efforts in 2021 on implementing a new ESG evaluation and rating system across all newly recommended investments. Townsend engaged with investment managers and their internal staff to evaluate their policies, staffing, processes and engagement/outcomes to award each manager an ESG ratings. Townsend carried out 102 investment and manager reviews globally for open-end real estate funds and non-core real estate funds.

Townsend assessed and reviewed the ESG policies and achievements of its joint venture partner Fiera Logistics, specifically reviewing the environmental and energy efficiency aspects of new logistics construction, and the impact on rentability and cost savings. Townsend discussed with Fiera Logistics how the developments should have strong ESG credentials and will be built to high sustainability standard in line with the Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' standard and have energy performance certificate ("EPC") A rating.

Over the Scheme year, Townsend engaged with real estate fund Clarion Partners, following disappointing 2020 Global Real Estate Sustainability Benchmark ("GRESB") results. Townsend set up a meeting with the fund's team to better understand the breakdown of the 2020 results as well as discuss what initiatives were to be put in place at a fund level to ensure a score improvement in 2021. The fund increased its score in 2021 to 3 out of 5 stars. Whilst this is still below the four star target that Townsend currently has in place for all new investments, the focus shown and subsequent actions taken by Clarion Partners to address the previous year's disappointing result has been welcomed by Townsend.

J.P Morgan Asset Management ("JPMAM") – Fund of funds

The Trustee invests in a portfolio of hedge funds managed by JP Morgan. Voting information for this portfolio is limited given the nature of hedge funds. JP Morgan states that it invests in underlying hedge funds and

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[2] THE BBP IS A COLLABORATION OF THE UK'S LEADING COMMERCIAL PROPERTY OWNERS WHO ARE WORKING TOGETHER TO IMPROVE THE SUSTAINABILITY OF EXISTING COMMERCIAL BUILDING STOCK.

private credit strategies, and therefore is not directly involved in markets. As such, it is not in a position to engage directly with management of any underlying companies.

Partners Group

For every engagement, Partners Group discuss its commitment to ESG and ambition for the company with company management teams. It considers the ESG topics most relevant to the company or asset's business and stakeholders, identifies key ESG improvement opportunities, and defines the vision and strategy for the company or asset's ESG engagement with Partners Group.

Partners Group set clear expectations with newly-acquired assets through a standard ESG onboarding process. This results in tailored ESG engagements across its direct investment portfolio. Collectively, these engagements mean that Partners Group has over 100 ongoing ESG value creation projects across private equity, private real estate and private infrastructure at present.

Since acquisition, at a firm level, Partners Group has engaged with Telepass, a mobility services company, developing its Corporate Social Responsibility strategy. Partners Group conducted the onboarding workshop earlier this year and since then has completed a materiality assessment to understand its areas of focus. This was translated into a series of pillars and underlying initiatives that are targeted to be achieved by 2023.

As an outcome to this engagement, Partners Group believes that the 2023 targets will build a foundation of systems needed for the firm to have sustainable impact. The team will develop longer term goals once a broader company strategy is set later in 2022.