



RI TRANSPARENCY REPORT

2020

Korea National Pension Service (NPS)

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	✓	Private							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Private							✓
OO PR 02	Breakdown of property assets by management	✓	Private							✓
OO PR 03	Largest property types	✓	Private							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		-	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	⚡	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	⚡	n/a	✓						
SAM 07	Percentage of (proxy) votes	⚡	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	⚡	n/a	✓						
LEI 05	Processes to ensure screening is based on robust analysis	⚡	n/a	✓						
LEI 06	Processes to ensure fund criteria are not breached	⚡	n/a	✓						
LEI 07	Types of sustainability thematic funds/mandates	⚡	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	✓	Private	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	-	n/a		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	-	n/a		✓					
LEA 21	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Korea National Pension Service (NPS)

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- ☒ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☐ Corporate pension or superannuation or retirement or provident fund or plan
- ☐ Insurance company
- ☐ Foundation
- ☐ Endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Family office
- ☐ Other, specify

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

Korea, Republic of

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

- ☐ 1
- ☒ 2-5
- ☐ 6-10
- ☐ >10

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

FTE

301

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
- ☒ No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1

Indicate the year end date for your reporting year.

31/12/2019

OO 04.2

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM	736	654	000	000	000
Currency	KRW				
Assets in USD		624	123	409	152

☐ Not applicable as we are in the fund-raising process

OO 06	Mandatory	Public	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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- ☐ as percentage breakdown
☒ as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	10-50%	<10%
Private equity	0	<10%
Property	<10%	<10%
Infrastructure	<10%	<10%
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2	Publish asset class mix as per attached image [Optional].
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OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- ☐ Yes
☒ No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

- ☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- ☒ No, we do not use fiduciary managers.

OO 09**Mandatory****Public****Peering****General****OO 09.1**

Indicate the breakdown of your organisation's AUM by market.

Developed Markets

30

Emerging Markets

70

Frontier Markets

0

Other Markets

0

Total 100%

100%

Asset class implementation gateway indicators**OO 10****Mandatory****Public****Gateway****General****OO 10.1**

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

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

Listed equity – voting

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

Fixed income SSA – engagement

- ☐ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- ☒ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

N.A

Fixed income Corporate (financial) – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☒ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

.N.A

Fixed income Corporate (non-financial) – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☒ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

.N.A

Fixed income Corporate (securitised) – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☒ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

.N.A

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- ☒ We address ESG incorporation.
☐ We do not do ESG incorporation.

Fixed income - SSA

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

Fixed income - corporate (financial)

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

Fixed income - securitised

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

Property

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

Infrastructure

- ☐ We address ESG incorporation.
☒ We do not do ESG incorporation.

OO 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div> <div></div> <div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA	<div> <div></div> <div>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<div> <div></div> <div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div> <div></div> <div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Fixed income - securitised	<div> <div></div> <div>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Private equity	

	<div>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Property	<div>Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Infrastructure	<div>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation

OO 11.3b	If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.
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N/A

OO 11.4	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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We review how our external managers(for domestic listed equities) implement RI

OO 12	Mandatory	Public	Gateway	General
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OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
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	Core modules
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- ☒ Organisational Overview
- ☒ Strategy and Governance

	RI implementation directly or via service providers
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	Direct - Listed Equity incorporation
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☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
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☒ Engagements

☒ (Proxy) voting

	RI implementation via external managers
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	Indirect - Selection, Appointment and Monitoring of External Managers
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☒ Listed Equities

	Closing module
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☒ Closing module

OO 12.2	Additional information. [Optional]
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Peering questions				
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OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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Percentage of internally managed listed equities

	Passive
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80

	Active - quantitative (quant)
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0

	Active - fundamental and active - other
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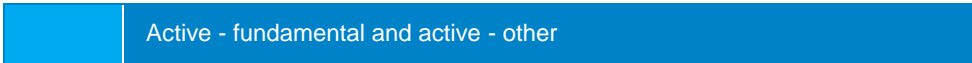







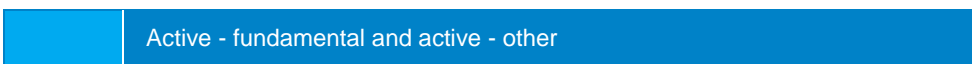

20

	Total
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100%

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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SSA	 Passive
	95
	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
	5
Corporate (financial)	 Total
	100%
	 Passive
	95
	 Active - quantitative (quant)
	0
Corporate (non-financial)	 Active - fundamental and active - other
	5
	 Total
	100%
	 Passive
	100
	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
	0
	 Total
	100%

Securitised		Passive
	100	
		Active - quantitative (quant)
	0	
		Active - fundamental and active - other
	0	
		Total
	100%	

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Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☒ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☐ Climate change
- ☐ Understanding and incorporating client / beneficiary sustainability preferences
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The Investment Policy Statement(IPS) contains the principle of sustainability, ESG incorporation and the principles of stewardship activities.

The principle of sustainability means NPS should manage investment portfolio considering ESG factors for the purpose of improving the sustainability of investment assets.

And NPS might consider ESG factors in investment decision to increase the long-term and stable return.

NPS adopt Korean Stewardship Code to strengthen the independence and transparency of stewardship activities and improve long-term financial return. The principle of Stewardship guides the stewardship activities.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

☐ No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- ☒ Policy setting out your overall approach

URL/Attachment

- ☒ URL

URL

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

- ☐ Attachment (will be made public)
- ☒ Fiduciary (or equivalent) duties

URL/Attachment

- ☒ URL

URL

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

- ☐ Attachment (will be made public)
- ☒ Engagement policy

URL/Attachment

- ☒ URL

URL

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

- ☐ Attachment (will be made public)
- ☒ (Proxy) voting policy

URL/Attachment

- ☒ URL

URL

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

- ☐ Attachment (will be made public)
- ☐ We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
----------------	---

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- ☒ URL

	URL
--	-----

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

☐ Attachment

☒ Your investment objectives that take ESG factors/real economy influence into account

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

☐ Attachment

☒ Time horizon of your investment

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

☐ Attachment

☒ Governance structure of organisational ESG responsibilities

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

☐ Attachment

☒ ESG incorporation approaches

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

☐ Attachment

☒ Active ownership approaches

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

☐ Attachment

☒ Reporting

	URL/Attachment
--	----------------

☒ URL

	URL
--	-----

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

☐ Attachment

☐ We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
----------------	---

Our stewardship code includes a provision that manages potential conflict of interest

☐ No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
----------------	---

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

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
--------------	------------------	---------------	----------------------	----------------

SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
----------------	---

	Roles
--	--------------

- ☐ Board members or trustees
- ☒ Internal Roles (triggers other options)

Select from the below internal roles

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment

SG 07.3

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

Number

14

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

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

Select all that apply

- ☒ Principles for Responsible Investment

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☒ Asian Corporate Governance Association

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Australian Council of Superannuation Investors
- ☐ AVCA: Sustainability Committee
- ☐ France Invest – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Climate Action 100+
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ Invest Europe Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ HKVCA: ESG Committee
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Financial Action in the 21st Century
- ☐ Principles for Sustainable Insurance
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

SG 10.1

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

☒ Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Educations provided to portfolio managers/analyst working in our organization.

Frequency of contribution

- ☐ Quarterly or more frequently
 - ☐ Biannually
 - ☐ Annually
 - ☐ Less frequently than annually
 - ☒ Ad hoc
 - ☐ Other
- ☐ Provided financial support for academic or industry research on responsible investment
- ☐ Provided input and/or collaborated with academia on RI related work
- ☐ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment

Description

1.Head of Global Responsible Investment & Governance spoke publicly at UN global compact's local event
 2.CIO made a public speech at PRI-KOFIA SRI seminar

Frequency of contribution

- ☐ Quarterly or more frequently
 - ☐ Biannually
 - ☐ Annually
 - ☐ Less frequently than annually
 - ☒ Ad hoc
 - ☐ Other
- ☐ Wrote and published in-house research papers on responsible investment
- ☐ Encouraged the adoption of the PRI
- ☒ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

PRI consultation

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other
- ☐ Wrote and published articles on responsible investment in the media
- ☐ A member of PRI advisory committees/ working groups, specify
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☐ Other, specify
- ☐ No

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- ☐ Yes, in order to assess future ESG factors
- ☐ Yes, in order to assess future climate-related risks and opportunities
- ☒ No, our organisation does not currently carry out scenario analysis and/or modelling

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring
Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
☐ We disclose to clients/beneficiaries only.
☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
☐ No

Disclosure to public and URL
Disclosure to public and URL

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

Frequency

- ☐ Quarterly or more frequently
☐ Biannually
☒ Annually
☐ Less frequently than annually
☐ Ad-hoc/when requested

URL

http://fund.nps.or.kr/jsppage/fund/mcs/mcs_06_03.jsp

Listed equity - Incorporation

Do you disclose?

- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL

Disclosure to public and URL

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

Frequency

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested

URL

<https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp>

Listed equity - Engagement

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information </div>
	<div>Frequency</div> <div> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested </div>
	<div>URL</div> <div> https://fund.nps.or.kr/jsppage/fund/prs/policy06.jsp </div>

Listed equity – (Proxy) Voting	
	<div>Do you disclose?</div> <div> <input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public </div>
	<div>The information disclosed to clients/beneficiaries is the same</div> <div> <input checked="" type="radio"/> Yes <input type="radio"/> No </div>

Disclosure to public and URL		
	<div>Disclosure to public and URL</div> <p> <input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management </p>	
	<div>Frequency</div> <p> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested </p>	
	<div>URL</div> <p> https://fund.nps.or.kr/jsppage/fund/mcs/mcs_06_02_02.jsp </p>	

Korea National Pension Service (NPS)

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
---------------	------------------	---------------	----------------	--------------

SAM 01.1 Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity				
Screening	<input checked="" type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

Passive investment strategies

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

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
---------------	------------------	---------------	----------------------	--------------

SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE								
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>								
Review the oversight and responsibilities of ESG implementation	<input type="checkbox"/>								
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>								
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>								
Other	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

Process/portfolio construction/investment valuation

	LE								
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>								
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>								
Review and agree the impact of ESG analysis on investment decisions	<input type="checkbox"/>								
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>								
Review and agree manager's ESG risk framework	<input type="checkbox"/>								
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>								
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>								
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>								
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>								
Other, specify	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

SAM 02.3

Indicate the selection process and its ESG/RI components

- ☒ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☐ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☐ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☐ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☐ Site visits to potential managers offices
- ☐ Other, specify

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE								
ESG performance development targets	<input type="checkbox"/>								
ESG score	<input type="checkbox"/>								
ESG weight	<input type="checkbox"/>								
Real world economy targets	<input type="checkbox"/>								
Other RI considerations	<input type="checkbox"/>								
None of the above	<input checked="" type="checkbox"/>								

Appointment**SAM 04****Mandatory****Public****Core Assessed****PRI 1**

SAM 04.1

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- ☐ Sets standard benchmarks or ESG benchmarks
- ☐ Defines ESG objectives and/ or ESG related exclusions/restrictions
- ☐ Sets incentives and controls linked to the ESG objectives
- ☐ Requires reporting on ESG objectives
- ☐ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☒ None of the above

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- ☐ Discuss requirements not met and set project plan to rectify
- ☐ Place investment manager on a “watch list”
- ☐ Track and investigate reason for non-compliance
- ☐ Re-negotiate fees
- ☐ Failing all actions, terminate contract with the manager
- ☒ Other, specify
- ☐ No actions are taken if any of the ESG requirements are not met

Monitoring

SAM 05**Mandatory****Public****Core Assessed****PRI 1****SAM 05.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

[illegible]

Outputs and outcomes

SAM 09.1

☒ Add Example 1

Topic or issue	.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity
Scope and process	.
Outcomes	.

- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ We are not able to provide examples

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Reported Information

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Direct - Listed Equity Incorporation

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ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
--------	-----------	--------	---------	-------

LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e., not combined with any other strategies)
- ☐ Thematic alone (i.e., not combined with any other strategies)
- ☒ Integration alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	<div> <div></div> <div>%</div> </div>
	100

- ☐ Screening and integration strategies
- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1

Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90% </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90% </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>

LEI 09	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ Third-party ESG ratings are updated regularly
- ☒ A periodic review of the internal research is carried out
- ☐ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ☐ ESG risk profile of a portfolio against benchmark
- ☐ Analysis of the impact of ESG factors on investment risk and return performance
- ☐ Other; specify
- ☐ None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

LEI 09.4

Indicate how frequently you review internal research that builds your ESG integration strategy.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- ☐ Other; specify
- ☐ None of the above

Korea National Pension Service (NPS)

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Direct - Listed Equity Active Ownership

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Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

☒ Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

☐ Attachment provided:

☒ URL provided:

URL

http://fund.nps.or.kr/jsppage/fund/mpc/mpc_08.jsp

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- ☒ Conflicts of interest
- ☒ Alignment with national stewardship code requirements
- ☒ Assets/funds covered by active ownership policy
- ☒ Expectations and objectives
- ☒ Engagement approach

Engagement

- ☒ ESG issues
- ☒ Prioritisation of engagement
- ☒ Methods of engagement
- ☒ Transparency of engagement activities
- ☒ Due diligence and monitoring process
- ☒ Insider information
- ☒ Escalation strategies
- ☐ Service Provider specific criteria
- ☐ Other; (specify)
- ☒ (Proxy) voting approach

Voting

- ☒ ESG issues
- ☒ Prioritisation and scope of voting activities
- ☒ Methods of voting
- ☒ Transparency of voting activities
- ☐ Regional voting practice approaches
- ☒ Filing or co-filing resolutions
- ☒ Company dialogue pre/post-vote
- ☒ Decision-making processes
- ☐ Securities lending processes
- ☐ Other; (specify)
- ☐ Other
- ☐ None of the above
- ☐ No

LEA 01.4

Do you outsource any of your active ownership activities to service providers?

- ☐ Yes
- ☒ No

Engagement

LEA 02

Mandatory

Public

Core Assessed

PRI 1,2,3

LEA 02.1

Indicate the method of engagement, giving reasons for the interaction.

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

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
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☒ Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
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Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div>Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements

☐ No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<ul style="list-style-type: none"> <input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
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LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<ul style="list-style-type: none"> <input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
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LEA 05.2

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
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LEA 06**Mandatory****Public****Additional Assessed****PRI 2,4****LEA 06.1**

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

☒ Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- ☐ Collaborating with other investors
- ☒ Issuing a public statement
- ☒ Filing/submitting a shareholder resolution
- ☒ Voting against the re-election of the relevant directors
- ☒ Voting against the board of directors or the annual financial report
- ☐ Submitting nominations for election to the board
- ☒ Seeking legal remedy / litigation
- ☐ Reducing exposure (size of holdings)
- ☐ Divestment
- ☐ Other; specify

☐ No

LEA 08**Mandatory****Public****Gateway****PRI 2****LEA 08.1**

Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1	Indicate how you typically make your (proxy) voting decisions.
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Approach

- ☐ We use our own research or voting team and make voting decisions without the use of service providers.
- ☒ We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- ☐ The service-provider voting policy we sign off on
- ☒ Our own voting policy
- ☐ Our clients' requests or policies
- ☐ Other (explain)
- ☐ We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- ☐ We hire service providers who make voting decisions on our behalf.

LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
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We report to Stewardship committee whenever exceptions to the policy are made.

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☐ 24-1%
- ☒ Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 16	Mandatory	Public	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
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- ☐ 100%
☐ 99-75%
☐ 74-50%
☐ 49-25%
☒ 24-1%
☐ We do not communicate the rationale to companies
☐ Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
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- ☐ Vote(s) concern selected markets
☐ Vote(s) concern selected sectors
☐ Vote(s) concern certain ESG issues
☐ Vote(s) concern companies exposed to controversy on specific ESG issues
☐ Vote(s) concern significant shareholdings
☐ Client request
☒ Other

	Explain
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N.A

LEA 16.3	In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.
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- ☒ Yes
☐ No

LEA 17	Mandatory	Public	Core Assessed	PRI 2
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LEA 17.1	For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
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	%
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12

Specify the basis on which this percentage is calculated

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

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- ☐ Shares were blocked
☐ Notice, ballots or materials not received on time
☐ Missed deadline
☐ Geographical restrictions (non-home market)
☐ Cost
☐ Conflicts of interest
☒ Holdings deemed too small
☐ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
☐ Client request
☐ Other (explain)

LEA 18

Voluntary

Public

Additional Assessed

PRI 2

LEA 18.1

Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- ☒ Yes, we track this information

LEA 18.2

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> <div>80</div>
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> <div>20</div>
Abstentions	<div> <div></div> <div>%</div> </div> <div>0</div>

100%

☐ No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
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LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- ☒ Yes
- ☐ No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- ☒ Contacting the company's board
- ☒ Contacting the company's senior management
- ☒ Issuing a public statement explaining the rationale
- ☒ Initiating individual/collaborative engagement
- ☐ Directing service providers to engage
- ☐ Reducing exposure (holdings) / divestment
- ☐ Other

Korea National Pension Service (NPS)

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - ☒ Whole PRI Transparency Report has been internally verified
 - ☐ Selected data has been internally verified
- ☐ Other, specify
- ☐ None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report
- ☐ None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☐ Other, specify
- ☒ None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 07**Mandatory****Public****Descriptive****General****CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- ☒ CEO or other Chief-Level staff

Sign-off or review of responses

- ☐ Sign-off
- ☒ Review of responses
- ☐ The Board
- ☐ Investment Committee
- ☒ Compliance Function
- ☒ RI/ESG Team
- ☐ Investment Teams
- ☐ Legal Department
- ☐ Other (specify)