

# How investors use TPI data

## RAILPEN

<b>Name of organisation</b>	Railpen
<b>Type of organisation</b>	Asset Owner
<b>AUM</b>	£35 billion as of 31 December 2023
<b>Asset class/s covered by case study</b>	Global investment portfolio
<b>Country/region of operation</b>	United Kingdom

### Introduction

Railpen is responsible for the safekeeping and investment of around £35 billion in assets for its members and is one of the UK's largest and longest established pension funds.

### Why are you using the TPI data?

We believe that financial and sustainability outcomes are not mutually exclusive – they are complementary and integral to protecting our members' interests over the long term.

We are in a privileged position to operate on behalf of our members, so have a duty of trust to engage and collaborate in a meaningful way to drive positive outcomes for them. We ultimately want businesses and society to thrive and so we seek to have a positive influence on factors that will help to secure our members' future.

As such, Railpen, like many other asset owners, has made a net zero commitment and we are working to understand and increase the alignment of our portfolio. We believe that engagement with the assets we invest in is a crucial factor in enabling us to achieve net zero alignment.

### What do you do with TPI data?

We use TPI data as it offers independent, comparable insights on companies within our public markets portfolios (the majority of which we manage in-house) and adds supplementary value to other external sources and internal research. We use TPI management quality and carbon performance data to better understand specific companies. Understanding companies better helps inform our allocation decisions, risk and opportunity monitoring, and engagement.

**Company number: 13680867**

One area of our engagement programme is voting, which we consider to be a powerful tool for effecting change. We incorporate TPI management quality data into our voting decisions. The management quality data allows us to identify the leaders and laggards, and where companies are scoring only levels 0-2, we may use voting and other escalations.

We carry out both individual and collaborative engagements using the insights from TPI data. This allows us to raise timely concerns with companies, request enhanced disclosure, and push for greater alignment with credible net zero pathways.

### **Example**

TPI management quality data is used in our voting policy to input into Director election voting. We assess a company's management quality performance, and we will consider voting against the relevant Directors of companies that we feel are materially lagging behind peers on climate risk management. Railpen also has other escalation tactics at our disposal including both voting and non-voting mechanisms, for example, AGM questions and statements. We use our annual Stewardship Report to showcase case studies of this work, and these reports can be found online at [railpen.com](https://railpen.com)

Our Net Zero Engagement Plan currently targets approximately 60 companies which we will monitor over time using TPI data. We often use the TPI assessment criteria when engaging with these companies on a range of climate issues.

Throughout the year Railpen engages with priority companies, including in the run-up to their AGMs, where we use TPI data to raise any insights, evidence concerns, and to push for improvements.

### **What were the outcomes?**

Recently we have engaged with two companies WEC Energy (a large US electrical utility) and Nucor (a large US based steel producer). We engaged with these firms using TPI management quality data and we have seen both make progress since we started our engagements. This has resulted in TPI management quality scores improving for both, with Nucor moving from level 2 to 3 and WEC Energy moving from level 3 to 4.

Railpen updates and publishes our global voting policy annually and reaches out to a focused list of the most significant companies within our portfolio to ensure they understand both our approach and expectations on climate change.

For more information, you can see Railpen's latest Global Voting Policy, UK Stewardship Code report and Trustee TCFD report available on our [website](#).