

Public Document Pack



NOTICE OF MEETING

Meeting	Hampshire Pension Fund Responsible Investment Sub-Committee
Date and Time	Tuesday 3rd September, 2019 at 10.00 am
Place	Nightingale Room, Podium, Hampshire County Council, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. ELECTION OF CHAIRMAN

To appoint a Chairman until the Annual Meeting of the Sub-Committee in 2020.

2. ELECTION OF VICE CHAIRMAN

To appoint a Vice Chairman until the Annual Meeting of the Sub-Committee in 2020.

3. APOLOGIES FOR ABSENCE

To receive an apologies for the meeting.

4. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Personal Interest in a matter being considered at the meeting should consider, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6. DEPUTATIONS

To receive any deputations pursuant to Standing Order 12.

7. SUB-COMMITTEE WORK PLAN (Pages 5 - 8)

To consider a report from the Director of Corporate Resources – Corporate Services, which provides a proposed workplan, based on the activities in the sub-committee's terms of reference agreed by the Panel and Board in July 2019.

8. UK STEWARDSHIP CODE (Pages 9 - 18)

To consider a report from the Director of Corporate Resources – Corporate Services, which provides information on signing the UK Stewardship Code

9. PRINCIPLES FOR RESPONSIBLE INVESTMENT (Pages 19 - 26)

To consider a report from the Director of Corporate Resources – Corporate Services, which provides information on signing the United Nations Principles of Responsible Investment (PRI).

10. GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARKING (GRESB) (Pages 27 - 30)

To consider a report from the Director of Corporate Resources – Corporate Services, which provides information on the Pension Fund participating in the Global Real Estate Sustainability Benchmark (GRESB) for its UK property portfolio.

11. SHAREHOLDER VOTING (Pages 31 - 50)

To consider a report from the Director of Corporate Resources – Corporate Services, which provides information on how the Pension Fund's investment managers have voted on behalf of the Fund for the equities that they are invested in.

12. EXCLUSION OF PRESS AND PUBLIC

That in relation to the following items the press and public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of proceedings, that if a member of the public were present during the items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exempt information outweighs the public interest in disclosing the information, for the reasons set out in the report.

13. SHAREHOLDER VOTING - EXEMPT APPENDICES (Pages 51 - 174)

To consider an exempt appendix to Item 11 on the agenda.

14. ACADIAN'S PORTFOLIO ESG CONSIDERATIONS (Pages 175 - 180)

To consider an exempt report from the Director of Corporate Resources – Corporate Services, which provides a summary of how the Pension Fund's global active investment manager Acadian can operate in accordance with the Pension Fund's Responsible Investment policy.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	3 September 2019
Title:	Sub-committee work plan
Report From:	<i>Director of Corporate Resources – Corporate Services</i>

Contact name: Andrew Boutflower

Tel: 01962 847407

Email: andrew.boutflower@hants.gov.uk

Purpose of this Report

1. This report proposes a work plan in order to focus the activities of the RI sub-committee.

Recommendations

2. That the RI sub-committee approves the proposed workplan making any suggested changes where necessary.

Work plan

3. The following list is the proposed workplan for the sub-committee, which is based on the activities in the sub-committee's terms of reference agreed by the Panel and Board in July 2019:
 - regularly review the Pension Fund's RI Policy and practices relating to it, to ensure that ESG issues are adequately reflected;
 - consider any appropriate standards or initiatives that would enhance the Pension Fund's approach to RI;
 - provide a forum for considering representations to change the RI Policy and/or the Pension Fund's responsible investment practices relating to it;
 - receive any relevant training on ESG issues;
 - engage in responsible stewardship with investment managers and to provide a forum for the review and monitoring of investments in the context of the RI Policy, where necessary making recommendations for change to the Panel and Board;

- review investment managers' company engagement and voting decisions and when necessary engage directly and indirectly with investment managers (and where possible directly with companies the Pension Fund is invested in) to make representations concerning ESG as appropriate;
- to engage directly and indirectly with scheme members and employers to hear representations concerning ESG as appropriate; and
- to report annually on the Pension Fund's RI to demonstrate progress to the Pension Fund's stakeholders.

RI sub-committee meetings

4. The RI sub-committee's first meeting (this agenda) will consider a number standards that could support and enhance the Pension Fund's approach to RI, as well as reviewing how one of the Fund's investment manager's investment approach fits with the updated RI policy. Also on this agenda is the review of investment managers shareholder voting decisions, which is intended to be a reoccurring item for the sub-committee.
5. The RI sub-committee is next due to meet on 6 March 2020. This will be an opportune time for the sub-committee to consider a first draft of the Pension Fund's first annual report on its RI activities. In addition the sub-committee could review how RI applies to its passive investments, as well as any other emerging issues.

REQUIRED CORPORATE AND LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	No
People in Hampshire enjoy being part of strong, inclusive communities:	No
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: For the ongoing management of the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme member.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	3 September 2019
Title:	UK Stewardship Code
Report From:	<i>Director of Corporate Resources – Corporate Services</i>

Contact name: Andrew Boutflower

Tel: 01962 847407

Email: andrew.boutflower@hants.gov.uk

Purpose of this Report

1. This report provides information on signing the UK Stewardship Code.

Recommendations

2. That the RI sub-committee recommends to the Pension Fund Panel and Board that Hampshire Pension Fund signs the UK Stewardship Code.

Executive Summary

3. The UK Stewardship Code is published by the Financial Reporting Council (FRC). The last version was published in 2012. In January 2019 the FRC published a consultation on updates to the Stewardship Code. The Code aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders.
4. Since December 2010 all UK-authorized Asset Managers are required under the FCA's Conduct of Business Rules to produce a statement of commitment to the UK Stewardship Code or explain why it is not appropriate to their business model. The FRC also encourages all institutional investors, such as the Pension Fund, to report if and how they have complied with the Code. 32 of the 89 LGPS funds in England and Wales have signed up to and reported their compliance against the Code (shown in Appendix 1). The FRC divides signatories between those it assessed as having 'reported well against the code and demonstrated their commitment to stewardship' (Tier 1) and those where 'reporting improvements are necessary' (Tier 2).

UK Stewardship Code 2012 version

5. There are seven principles of the Code that aims 'to protect and enhance the value that accrues to ultimate beneficiaries'. The principles are set out below along with a summary of the Pension Fund's current compliance. Except for having a policy for managing conflicts of interest in relation to stewardship, the Pension Fund is either complying with the principles of the Code or will comply as a result of the new activity and reporting to the RI sub-committee.

Principle	Status
1 Publicly disclose their policy on how they will discharge their stewardship responsibilities.	✓ The Fund's updated RI policy describes its approach to stewardship
2 Have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.	x Would need to be developed
3 Monitor their investee companies.	✓ Companies are monitored through the reporting and scrutiny of the Pension Fund officers and Panel and Board
4 Establish clear guidelines on when and how they will escalate their stewardship activities.	✓ The RI sub-committee's terms of reference include to 'review investment managers' company engagement and voting decisions and when necessary engage directly and indirectly with investment managers (and where possible directly with companies the Pension Fund is invested in) to make representations concerning ESG as appropriate'
5 Be willing to act collectively with other investors where appropriate.	✓ Through investment pooling with ACCEESS, Hampshire has a greater weight of influence in terms of overall shareholding. The Pension Fund would also be open to approaches to act collectively from any other investors.
6 Have a clear policy on voting and disclosure of voting activity.	✓ The voting policy is part of the RI policy and voting activity is reported to the RI sub-committee

Principle	Status
7 Report periodically on their stewardship and voting activities.	✓ Stewardship and voting activity will form part of the Fund's annual RI report

2019 consultation on amendments to the Stewardship Code

6. The consultation in early 2019 proposed amendments to the Code's principles and new provisions for signatories to demonstrate how they are implementing the principles, which are shown in Appendix 2. The updated principles and provisions provide a more detailed framework for how stewardship is demonstrated. The Pension Fund should still be able to comply with the proposed principles with minor updates to its RI policy, such as adding a section on managing conflicts of interest and by using the principles as a basis for the intended annual RI report.

Requirements of signatories

7. There is no annual fee for being a UK Stewardship code signatory. The FRC expects signatories of the Code to publish on their website a statement that:
- describes how the signatory has applied each of the seven principles of the Code and discloses the specific information requested in the guidance to the principles; or
 - if one or more of the principles have not been applied or the specific information requested in the guidance has not been disclosed, explains why the signatory has not complied with those elements of the Code.
8. The 2019 consultation on changes to the Code added a further requirement, that:
- provides an evaluation of how well stewardship objectives have been met and the outcomes achieved.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: For the ongoing management of the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme members.

Extract of Stewardship Code signatories

Tier 1

Avon
Bedfordshire
Clwyd
Cumbria
Derbyshire
Devon
East Riding
East Sussex
Environment Agency
Greater Manchester
Lancashire
Lincolnshire
London Borough of Camden
London Borough of Hackney
London Borough of Haringey
London Pension Fund Authority
North Yorkshire
Staffordshire
South Yorkshire
Tyne and Weir
Warwickshire
West Midlands
West Yorkshire
Wiltshire
Worcester

Board to Coast Pension Partnership
LGPS Central
Local Pensions Partnership
London CIV

Tier 2

Devon
Gwynedd
London Borough of Bexley
London Borough of Ealing
London Borough of Hillingdon
Merseyside
Somerset

Proposed updated UK Stewardship Code principles and provisions

1 Purpose, Objective and Governance

Principles

- A. Signatories must develop their organisational purpose and disclose how their purpose, strategy, values and culture enable them to fulfil their stewardship objectives.
- B. Signatories must develop and disclose their stewardship approach and objectives, and how they serve the interests of clients and beneficiaries.
- C. Signatories' governance, processes, resources and remuneration must support the delivery of their stewardship objectives.
- D. Signatories must establish policies to manage conflicts of interest, which put the interests of beneficiaries and/or clients first.

Provisions

1. Signatories should clearly disclose if, and how, stewardship policies and practices differ across asset allocation.
2. Signatories should explain what activities they undertake to interact with other stakeholders and exercise their role as stewards of the market.
3. Signatories should have appropriate governance policies and/or structures to enable the delivery of their stewardship obligations.
4. Signatories should ensure their workforce has appropriate experience, qualifications and/or oversight to deliver their stewardship obligations.
5. Signatories should explain how they ensure the organisation has appropriate incentives in place for the delivery of the investment strategy and stewardship objectives.
6. Signatories should explicitly state their stewardship objectives and their expectations of stewardship activities when inviting tenders, selecting service providers and designing mandates.
7. Signatories should disclose their conflicts of interest policy and how it has been applied.
8. Signatories should disclose how they review and assure their stewardship objectives, and policies, processes, activities and reported outcomes.

2 Investment Approach

Principles

- E. Signatories must integrate stewardship with their investment approach and demonstrate how they take into account material ESG factors, including climate change.
- F. Signatories must actively demonstrate how prospective and current investments are aligned with their stewardship approach.

Provisions

9. Signatories should disclose the structures and processes they have in place to ensure that information gathered through stewardship activities is factored directly into investment decision-making.
10. Signatories should state their investment time horizon.

11. Signatories should ensure that the investment and stewardship mandates that they issue appropriately reflect the investment time horizon of their beneficiaries and demonstrate how they take ESG issues into account.

12. Signatories should disclose their investment beliefs.

13. Signatories should provide clear and actionable criteria for managers to assess assets against, including prior to investment, to ensure they are appropriate investments to make in accordance with their investment and stewardship strategy.

3 Active Monitoring

Principles

G. Signatories must actively monitor the performance of the assets for which they are responsible and/or the managers and service providers that they use.

Provisions

14. Signatories should actively monitor issues that may impact the value of assets held over the investment time horizon of beneficiaries and/or clients, identify key priorities, and use this information to inform their stewardship activities and communication with managers and/or service providers.

15. Signatories should actively monitor asset managers to ensure that assets managed on their behalf are aligned with their investment and stewardship policies.

16. Signatories should actively monitor service providers to ensure that their services enable effective stewardship.

4 Constructive engagement and clear communication

H. Signatories must undertake constructive engagement to maintain or enhance the value of assets.

I. Signatories must communicate clearly with clients and beneficiaries.

Provisions

17. Signatories should establish and publicly disclose an engagement policy.

18. Signatories should describe how they integrate engagement into their investment strategy.

19. Signatories should describe what methods they use for engagement, and escalation if required, to enhance the value of assets.

20. Signatories should state the extent to which they participate in collaborative engagement.

21. Signatories should disclose engagement activity undertaken on their behalf and communicate to beneficiaries about how they have fulfilled their stewardship responsibilities.

22. Signatories should describe how they take account of beneficiaries' needs and the extent to which they seek to engage with beneficiaries to understand their views.

5 Exercise rights and responsibilities

Principles

J. Signatories must actively exercise their rights and responsibilities.

Provisions

23. Signatories should explain how they exercise ownership rights across different markets and asset classes.

24. Signatories should indicate which, if any, proxy voting adviser(s) they use, the scope of services procured and how advice/information received is used as part of the signatories' stewardship activities.

25. Signatories should explain their policy on voting shares in listed assets, including:

- the extent to which the fund sets its own voting policies;
- the extent to which voting decisions are executed by another entity;
- how they monitor service providers' voting on their behalf;
- how the asset owner monitors the voting rights it has;
- the funds' approach to stock lending and recalling lent stock for voting;
- votes withheld if applicable.

26. Signatories should disclose their voting records.

27. Signatories should explain their policy on bond engagement, including the extent to which they engage pre- and post-issuance of bonds.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	3 September 2019
Title:	Principles for Responsible Investment
Report From:	<i>Director of Corporate Resources – Corporate Services</i>

Contact name: Andrew Boutflower

Tel: 01962 847407

Email: andrew.boutflower@hants.gov.uk

Purpose of this Report

1. This report provides information on signing the United Nations Principles of Responsible Investment (PRI).

Recommendations

2. That the RI sub-committee recommends to the Pension Fund Panel and Board that the Hampshire Pension Fund signs the PRI.

Executive Summary

3. In 2005 the United Nations invited a group of the world's largest institutional investors to join a process to develop the PRI, which were launched the following year. There are now nearly 500 asset owners with over \$10tr of assets that are signatories to the principles. The PRI is an internationally recognised standard and allows signatories to publicly demonstrate their commitment to responsible investment.
4. The PRI is a not-for-profit independent body. It encourages investors to use responsible investment to enhance returns and better manage risks. It engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations. Signing up to the PRI is open to asset owners, investment managers and service providers. A list of other LGPS funds/pools and Hampshire's investment managers (all of which are signatories) that are existing signatories is shown in Appendix 1.

5. The request that Hampshire become a signatory to the PRI was mentioned by a number of the respondents to the Pension Fund’s consultation on its revised RI policy, including the deputation received from Winchester Action on Climate Change.

PRI

6. The six PRI are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The PRI describe its principles as ‘for most signatories, the commitments are a work-in-progress and provide direction for their responsible investment efforts, rather than a checklist with which to comply’.
7. The table below lists the principles and a summary of Hampshire’s current position in relation to them. If the Hampshire Pension Fund was to become a signatory the reporting of progress against the principles would become a feature of the Fund’s annual RI report, which it has committed to produce as part of its updated RI policy.

Table 2: Principles for Responsible Investment

	Criteria	Current position
1	We will incorporate ESG issues into investment analysis and decision-making processes.	The RI policy describes how the Pension Fund requires its investment managers to account for ESG factors in their investment decisions
2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	The RI policy requires the Pension Fund’s investment managers to work in a consistent and transparent manner with the companies they invested in to ensure they achieve the best possible outcomes for the Pension Fund, including forward-looking ESG standards. This includes requiring investment managers to exercise the Fund’s responsibility to vote on company resolutions wherever possible.
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	
4	We will promote acceptance and implementation of the Principles within the investment industry	In its selection of investment managers, the Pension Fund considers their ability to manage ESG issues. All of the Pension

		Fund's investment managers are PRI signatories
5	We will work together to enhance our effectiveness in implementing the Principles	The Pension Fund will play a full part in developing ACCESS' approach to RI
6	We will each report on our activities and progress towards implementing the Principles	In its updated RI policy, the Pension Fund has committed to annual reporting, which will include its implementation of the Principles

8. There are three minimum criteria to meet to become a PRI signatory, which are listed below along with a brief summary of the Pension Fund's current ability to meet these criteria.

Table 2: PRI minimum criteria

	Criteria		Current position
1	Investment policy that covers the firm's responsible investment approach, covering >50% of assets under management	✓	The Pension Fund's RI policy covers all its investments and specifies the RI requirements for different asset classes
2	Internal/external staff responsible for implementing RI policy	✓	All of the Pension Fund's assets are managed by external investment managers who are required where appropriate to demonstrate how they have considered ESG factors in investment decisions, engage with company management and vote at shareholder meetings. This is monitored by the Pension Fund's officers and reported to the Pension Fund Panel and Board and RI sub-committee
3	Senior-level commitment and accountability mechanisms for RI implementation	✓	The RI policy has been approved by the Pension Fund Panel and Board who have created the RI sub-committee in order to more closely monitor and scrutinise the Fund's RI activity

Requirements of signatories

9. There is an annual fee for being a PRI signatory. For 2019/20 this would be £6,529 for a fund of Hampshire's size. Signatories are required to report under the PRI framework each year (after their first year of joining), which is due for submission between January and March. The reporting framework is relatively comprehensive including providing a breakdown of the Fund's assets under management and information on company engagement and voting. Reporting for asset classes that are less than 10% of the total fund is optional, which lessens the reporting burden.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
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Section 100 D - Local Government Act 1972 - background documents	
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<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme members.

Extract of PRI signatories

Local Pensions Partnership
LGPS Central
London CIV
Brunel Pension Partnership

Kent County Council Superannuation Fund
Greater Manchester Pension Fund
West Midlands Pension Fund
Merseyside Pension Fund
Environment Agency Pension Fund

Aberdeen Standard Investments
Acadian Asset Management
Alcentra
Baillie Gifford
Barings
CBRE Global Investors
Dodge & Cox
Grosvenor Europe
JP Morgan Asset Management
Morgan Stanley Investment Management
Schroders
UBS Asset Management

Hymans Robertson LLP

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	3 September 2019
Title:	Global Real Estate Sustainability Benchmarking (GRESB)
Report From:	<i>Director of Corporate Resources – Corporate Services</i>

Contact name: Andrew Boutflower

Tel: 01962 847407

Email: andrew.boutflower@hants.gov.uk

Purpose of this Report

1. This report provides information on the Pension Fund participating in the Global Real Estate Sustainability Benchmark (GRESB) for its UK property portfolio.

Recommendations

2. That the RI sub-committee recommends to the Pension Fund Panel and Board that Hampshire Pension Fund commissions its UK property investment manager (CBRE) to commission GRESB for its portfolio and to carry out the additional work on the portfolio described in this report to improve the sustainability of the portfolio.

Executive Summary

3. The Pension Fund has contracted with CBRE to manage an investment portfolio of UK commercial property, which is made up of over 50 directly held properties and a minority of investments in pooled funds. Due to the nature of this asset class each directly owned property has its own unique characteristics and will therefore present individual opportunities to improve sustainability.
4. CBRE made their annual presentation on their portfolio to the Pension Fund Panel and Board in July 2019, which included giving a brief overview of different approaches to managing Environmental, Social and Governance (ESG) factors in a property portfolio. CBRE are recommending that the Pension Fund adopts a 'gold' standard for its portfolio; including participating in and aiming to outperform the GRESB as well as increased tenant

engagement and improved asset planning. CBRE have stated that the increased cost of this approach will future proof the portfolio to mitigate potential loss of value or rental income and prepare for strengthening regulation which will result from the UK's commitment to net zero carbon emissions by 2050.

GRESB

5. GRESB is an independent body whose members include more than 100 institutional investors representing over USD 22 trillion in institutional capital globally. Participation in the GRESB has been growing year on year since its formation by large pension funds in 2009. CBRE consider it to be the best independent, comparable and reliable assessment of ESG performance for a property portfolio and formally adopted GRESB as the preferred tool for ranking ESG performance in 2018.
6. Each year GRESB collects ESG information on each participating fund (903 globally in 2018), creates peer groups to enable useful comparisons of each fund, scores each fund's ESG performance, compares each fund against its peer group, and produces a detailed assessment report. The GRESB report for each fund includes a clear ESG score from 0 to 100 as well as data on fund performance and peer benchmarking of overall ESG performance, seven key ESG aspects, and each of the over 70 underlying questions.

Additional costs

7. The cost to Hampshire of participating in GRESB will be nearly £4,000 per annum. The information provided in the GRESB reporting will practically benefit the Pension Fund in highlighting the areas in the portfolio for CBRE to focus their efforts in improving sustainability. CBRE estimate that the cost of work to improve the portfolio's sustainability would be an additional £40,000 per annum in professional fees in managing tenants and capital expenditure to improve the quality of the properties in the portfolio. CBRE recommend that this approach is necessary as delay in managing these issues can lead to higher costs and weaker performance in the long run.

REQUIRED CORPORATE AND LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: For the ongoing management of the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme member.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	3 September 2019
Title:	Shareholder voting
Report From:	<i>Director of Corporate Resources – Corporate Services</i>

Contact name: Andrew Boutflower

Tel: 01962 847407

Email: andrew.boutflower@hants.gov.uk

Purpose of this Report

1. This report provides information on how the Pension Fund's investment managers have voted on behalf of the Fund for the equities that they are invested in.

Recommendations

2. That the RI sub-committee notes the arrangements for publishing the Pension Fund's shareholder voting record and instances summarised in this report where its investment managers have voted against company management.

Executive Summary

3. As investors in common stock (equities) the Pension Fund will have certain rights to vote on how the company it invests in is run. These include being able to vote in elections to the board of directors and on proposed operational alterations, such as shifts of corporate aims, and the right to vote on other matters such as remuneration policies and the appointment of auditors. In addition to these items, for which recommendations will be made by company management for shareholders to either agree or oppose, individual shareholders can propose their own subjects for the shareholders to vote on, but they are non-binding on the company's management in most instances.
4. Shareholder votes are an important tool for company engagement alongside more direct communication (such as meetings) with company management. Voting provides an ultimate sanction for shareholders to show their

disapproval with how a company is operating. How votes are cast will be determined by the voting policy, which for Hampshire varies depending on how the equity investment is held:

- Directly held equities (Acadian and Baillie Gifford's Global Alpha portfolios) will be voted in accordance with Hampshire's voting policy, which is part of its Responsible Investment policy.
- Equities directly held in the ACCESS pool (Schroders Prime and Baillie Gifford's Long-term Global Growth portfolios) will be voted in accordance with ACCESS' voting guidelines, which were agreed by the Joint Committee.
- Equities in pooled funds of external investment managers (such as UBS or Dodge & Cox) will be voted in accordance with the investment manager's voting policy, which applies to all holdings within the fund.

Publication of shareholding voting

5. It is generally regarded as good practice for asset owners to publish their voting records. Although the majority of votes relate to non-contentious, relatively administrative matters, publishing the records of all votes cast demonstrates transparency. This approach meets the requirements of the UN Principles of Responsible Investment and UK Stewardship Code, which are both covered elsewhere on this meeting's agenda.
6. Following the Panel and Board agreeing a revised version of the Fund's Responsible Investment policy, the Pension Fund's website will be updated to include a section on RI. The RI pages will provide a brief statement on the Fund's approach to RI, a link to the new policy and links to the full voting records of the Fund's equity investments.

Voting exception reports

7. In order for the RI sub-committee to scrutinise the voting activity for the Pension Fund's investments, a summary of the occasions from April to June 2019 where investment managers have cast votes against resolutions by company management or other shareholders. The Pension Fund's investment managers' shareholding voting records are contained in annexes to this report, except for UBS as due to the number of companies in the passive funds the report is too large to publish in a committee paper. The records for the Link Fund Solutions Global Stock Fund (managed by Dodge & Cox) are not included at this time as Dodge and Cox only publish their voting record annually, in line with their minimum regulatory requirement. Once published this information will be made available. The voting record of the portfolio managed by Acadian is included as a confidential appendix, as Acadian employ a third-party proxy voting service who consider the rationale for the votes cast as confidential.

8. It is proposed that exception reporting of votes cast against company management is a regular item on the RI sub-committee's agenda, which may highlight areas for officers and/or members to follow-up with investment managers.

REQUIRED CORPORATE AND LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	No
People in Hampshire enjoy being part of strong, inclusive communities:	No
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: For the ongoing management of the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

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EQUALITIES IMPACT ASSESSMENT:

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Due regard in this context involves having due regard in particular to:

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- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme member.

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Votes Cast in Favour

Company	Meeting Details	Resolution(s)	Voting Rationale
Amazon.com	Annual 22/05/19	11	We supported a shareholder proposal requesting that the company produce enhanced disclosure on their approach to managing carbon emissions and addressing climate change.
Amazon.com	Annual 22/05/19	13	We supported a shareholder proposal requesting that the company produce enhanced disclosure on gender pay disparities across their business.
Facebook	Annual 30/05/19	10	We supported a shareholder proposal requesting the company produce enhanced disclosure on gender pay disparities across their business.
Facebook	Annual 30/05/19	7	We supported a shareholder resolution requesting the introduction of a majority voting standard for director elections.
MasterCard	Annual 25/06/19	4	We supported a shareholder resolution requesting a report on the company's gender pay gap.
Service Corp.Intl.	Annual 08/05/19	4	We supported a shareholder resolution requesting an independent board chairman as we think it is in shareholders' best interests.

Companies	Voting Rationale
AIA Group, AJ Gallagher & Co, Advantest Corp, Albemarle, Alnylam Pharmaceuticals, Amazon.com, Anthem Inc, Apache, Atlas Copco A, Atlas Copco B, B3 S.A., Banco Bradesco Pref, Bank of Ireland (Dublin), Brilliance China Automotive, Bureau Veritas, CRH, Chegg, Chipotle Mexican Grill, Deutsche Boerse, EOG Resources, Epiroc B, Facebook, Fairfax Financial Holdings, Fiat Chrysler Automobiles, Genmab, GrubHub Inc, Howard Hughes, Infineon Technologies AG, Interactive Brokers Group, Jardine Matheson, Jefferies Financial, Just Eat, Kirby, LINE Corp, LendingTree, MS&AD Insurance, Mail.ru Group GDR, Markel, MarketAxess Holdings, MasterCard, Meituan Dianping, Moody's, Netflix Inc, Now Inc, Olympus, Persol Holdings, Ping An Insurance, Prudential, Ritchie Bros Auctioneers (USA), Royal Caribbean Cruises, SAP, SMC, Sands China, Sberbank Spon ADR, Schibsted, Service Corp.Intl., Shopify 'A', Signify NV, SiteOne Landscape Supply, Spotify Technology SA, Stericycle, Sumitomo Mitsui Trust, TD Ameritrade Holding Corp, TSMC ADR, Teradyne, Tesla Inc, Thermo Fisher Scientific, Tsingtao Brewery 'H', Verisk Analytics, Visa Inc-Class A Shares, Wabtec, Waters	We voted in favour of routine proposals at the aforementioned meeting(s).

Votes Cast Against

Company	Meeting Details	Resolution(s)	Voting Rationale
Amazon.com	Annual 22/05/19	10	We opposed a shareholder proposal requesting a report on sexual harassment which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	12	We opposed a shareholder proposal which requested a directors' qualification matrix which we believed was too prescriptive.

Company	Meeting Details	Resolution(s)	Voting Rationale
Amazon.com	Annual 22/05/19	14	We opposed a shareholder proposal to assess the feasibility of including sustainability as a performance measure within executive compensation which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	15	We opposed a shareholder proposal which requested vote counting to exclude abstentions which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	4	We opposed a shareholder proposal requesting a report on the management of food waste which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	5	We opposed a shareholder proposal requesting a reduction in the ownership threshold to call a special meeting as we are comfortable with the current approach at the company.
Amazon.com	Annual 22/05/19	6	We opposed a shareholder proposal requesting to prohibit sales of facial recognition technologies to government agencies which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	7	We opposed a shareholder proposal requesting a report on the impact of the government use of facial recognition technology which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	8	We opposed a shareholder proposal requesting a report on products which promote hate speech which we believed was too prescriptive.
Amazon.com	Annual 22/05/19	9	We opposed a shareholder proposal requesting an independent board chairman as we are comfortable with the current approach at the company.
Anthem Inc	Annual 15/05/19	5	We opposed a shareholder resolution to declassify the board as the company has put forward its own resolution and already has adequate provisions in place.
B3 S.A.	AGM 29/04/19	14	We opposed a proposal to confer our votes on unknown fiscal council members should the slate of fiscal council members change.
B3 S.A.	AGM 29/04/19	6	We opposed a proposal to confer our votes on unknown directors should the slate of directors change.
CRH	AGM 25/04/19	3	We opposed the executive remuneration report and policy as we do not believe the performance conditions are sufficiently stretching.
CRH	AGM 25/04/19	4	We opposed the executive remuneration report and policy as we do not believe the performance conditions are sufficiently
CRH	AGM 25/04/19	9	We opposed the resolution which sought authority to issue equity because we believe the potential level of issuance is not in the interests of shareholders.
Facebook	Annual 30/05/19	5, 6, 8, 9, 11, 12	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.

Company	Meeting Details	Resolution(s)	Voting Rationale
Kirby	Annual 30/04/19	1b	We opposed the executive compensation and the re-election of the Compensation Committee Chairman due to the award of a large one-off payment to the board Chairman which we do not believe was appropriate or aligned with shareholders' interests.
Kirby	Annual 30/04/19	3	We opposed the executive compensation and the re-election of the Compensation Committee Chairman due to the award of a large one-off payment to the board Chairman. We do not believe this award was appropriate or aligned with shareholders' interests.
LINE Corp	AGM 28/03/19	6	We opposed the option plan as the plan allowed the provision of options to independent outside directors. We do not believe outside directors should be remunerated with options as this may compromise their independence.
MasterCard	Annual 25/06/19	5	We opposed a shareholder resolution to establish a human rights committee as believe it to be unnecessary.
Netflix Inc	Annual 06/06/19	4, 5	We opposed two shareholder resolutions requesting a report on political contributions and elimination of supermajority voting requirements as we believe the company's current provisions are appropriate.
Royal Caribbean Cruises	Annual 30/05/19	2	We opposed the executive compensation policy as the company granted retention awards during the year which we do not believe are aligned with shareholders' best interests.
Royal Caribbean Cruises	Annual 30/05/19	4	We opposed a shareholder resolution requesting political contributions disclosure as we believe the company's current policy is satisfactory.
Sands China	AGM 24/05/19	8	We opposed a resolution to approve the new equity incentive scheme due to a lack of performance conditions.
Schibsted	AGM 03/05/19	8.A, 8.B	We opposed two resolutions regarding remuneration as we have concerns about the stringency of the policy and its alignment with shareholders.
Stericycle	Annual 22/05/19	4	We opposed a shareholder resolution to amend the threshold for calling a special meeting as we consider the current provisions appropriate.
Tesla Inc	Annual 11/06/19	7, 8	We opposed two shareholder resolutions regarding a public policy committee and elimination of supermajority voting requirements as we considered them to be unnecessary.
Thermo Fisher Scientific	Annual 22/05/19	2	We opposed executive compensation as we have concerns regarding the structure of the long-term incentive plan and overall quantum awarded.
Verisk Analytics	Annual 15/05/19	2	We opposed the vote on executive compensation as we do not believe the targets in the long term incentive plan are sufficiently stretching,
Visa Inc-Class A Shares	Annual 29/01/19	2	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching.

Companies	Voting Rationale
AJ Gallagher & Co, Waters	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching
SMC	We opposed the low dividend payment as we believe the company's capital strategy is not in the interests of shareholders.
Bureau Veritas	We opposed the resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.

Votes Abstained

Company	Meeting Details	Resolution(s)	Voting Rationale
Albemarle	Annual 07/05/19	1	We abstained on the executive compensation policy as we do not believe the performance conditions are sufficiently stretching.
Persol Holdings	AGM 25/06/19	2.1	We abstained on the election of the company's President given less than one third of the Board is made up of independent outsiders.
Sberbank Spon ADR	AGM 24/05/19	5.3, 5.5-5.7, 5.11, 5.12, 5.14	We withheld support from seven non-independent directors and voted in favour of the election of six independent non-executive directors and the Chief Executive. Since the election of the directors was held by cumulative voting, we were able to concentrate our votes on the independent non-executive directors, increasing the likelihood that they will be elected to the board.
SMC	AGM 27/06/19	2.1, 2.7, 2.8	We abstained on the election of the company's Chairman and two new inside directors given less than one third of the Board is made up of independent outsiders.

Votes Withheld

We did not withhold on any resolutions during the period.

LF Access Long Term Global Growth Fund - Baillie Gifford									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Amazon.com	United States	22-May-19	Annual General Meeting	4.	Shareholder Resolution - Environmental	Shareholder	Against	We opposed a shareholder proposal requesting a report on the management of food waste which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	5.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal requesting a reduction in the ownership threshold to call a special meeting as we are comfortable with the current approach at the company.	
Amazon.com	United States	22-May-19	Annual General Meeting	6.	Shareholder Resolution - Social	Shareholder	Against	We opposed a shareholder proposal requesting to prohibit sales of facial recognition technologies to government agencies which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	7.	Shareholder Resolution - Social	Shareholder	Against	We opposed a shareholder proposal requesting a report on the impact of the government use of facial recognition technology which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	8.	Shareholder Resolution - Social	Shareholder	Against	We opposed a shareholder proposal requesting a report on products which promote hate speech which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	9.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal requesting an independent board chairman as we are comfortable with the current approach at the company.	
Amazon.com	United States	22-May-19	Annual General Meeting	10.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal requesting a report on sexual harassment which we believed was too prescriptive.	

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LF Access Long Term Global Growth Fund - Baillie Gifford									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Amazon.com	United States	22-May-19	Annual General Meeting	12.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal which requested a directors' qualification matrix which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	14.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal to assess the feasibility of including sustainability as a performance measure within executive compensation which we believed was too prescriptive.	
Amazon.com	United States	22-May-19	Annual General Meeting	15.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder proposal which requested vote counting to exclude abstentions which we believed was too prescriptive.	
Facebook	United States	30-May-19	Annual General Meeting	5.	Shareholder Resolution - Governance	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	
Facebook	United States	30-May-19	Annual General Meeting	6.	Shareholder Resolution - Governance	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	
Facebook	United States	30-May-19	Annual General Meeting	8.	Shareholder Resolution - Governance	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	

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LF Access Long Term Global Growth Fund - Baillie Gifford									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Facebook	United States	30-May-19	Annual General Meeting	9.	Shareholder Resolution - Governance	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	
Facebook	United States	30-May-19	Annual General Meeting	11.	Shareholder Resolution - Social	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	
Facebook	United States	30-May-19	Annual General Meeting	12.	Shareholder Resolution - Governance	Shareholder	Against	We opposed six shareholder resolutions regarding changes to the dual-class share structure, an independent board chairman, diversity reporting and long-term strategy. We did not consider these proposals to be in shareholders' best interests.	
Page 43									
Illumina	United States	29-May-19	Annual General Meeting	5.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder resolution requesting the company produce a report on its political contributions as we believe current disclosure and practices are appropriate.	
Kering	France	24-Apr-19	AGM/EGM	0.6	Directors Remuneration	Management	Against	We opposed three resolutions regarding remuneration due to concerns regarding pay and performance. We have been engaging with the company and have seen some progress which led us to support a separate resolution on pay.	

LF Access Long Term Global Growth Fund - Baillie Gifford									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Kering	France	24-Apr-19	AGM/EGM	O.7	Directors Remuneration	Management	Against	We opposed three resolutions regarding remuneration due to concerns regarding pay and performance. We have been engaging with the company and have seen some progress which led us to support a separate resolution on pay.	
Kering	France	24-Apr-19	AGM/EGM	O.9	Directors Remuneration	Management	Against	We opposed three resolutions regarding remuneration due to concerns regarding pay and performance. We have been engaging with the company and have seen some progress which led us to support a separate resolution on pay.	
Kering	France	24-Apr-19	AGM/EGM	E.12	Issue Equity without Pre-emption Rights	Management	Abstain	We abstained on a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	
Kering	France	24-Apr-19	AGM/EGM	E.15	Issue Equity without Pre-emption Rights	Management	Against	We opposed a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	
L'Oreal	France	18-Apr-19	AGM/EGM	E.9	Issue Equity without Pre-emption Rights	Management	Abstain	We abstained on a resolution which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	
Netflix Inc	United States	06-Jun-19	Annual General Meeting	4.	Shareholder Resolution - Governance	Shareholder	Against	We opposed two shareholder resolutions requesting a report on political contributions and elimination of supermajority voting requirements as we believe the company's current provisions are appropriate.	

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LF Access Long Term Global Growth Fund - Baillie Gifford									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Netflix Inc	United States	06-Jun-19	Annual General Meeting	5.	Shareholder Resolution - Governance	Shareholder	Against	We opposed two shareholder resolutions requesting a report on political contributions and elimination of supermajority voting requirements as we believe the company's current provisions are appropriate.	
Rocket Internet SE	Germany	06-Jun-19	Annual General Meeting	9	Remuneration - Other	Management	Against	We opposed a resolution which sought to disclose remuneration as an aggregate figure for management rather than provide details for each individual. The latter is common practice and we do not believe sufficient rationale has been provided for a more limited form of disclosure.	
Salesforce.com	United States	06-Jun-19	Annual General Meeting	6.	Shareholder Resolution - Governance	Shareholder	Against	We opposed a shareholder resolution regarding disclosure of board qualifications as we believe the company already provides such disclosure.	

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LF Access UK Equity Fund - Schroders									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
HSBC Holdings Plc	United Kingdom	04/12/2019	Annual	17	Abolish Unfair Discriminatory Practice of Taking State Deduction from the Pensions Paid to Members of the Post 1974 Midland Bank Defined Benefit Pension Scheme	Shareholder	Against		
Carnival Plc	United Kingdom	04/16/2019	Annual	10	Re-elect Stuart Subotnick as Director of Carnival Corporation and as a Director of Carnival plc	Management	Against	Lack of board independence.	
Carnival Plc	United Kingdom	04/16/2019	Annual	12	Re-elect Randall Weisenburger as Director of Carnival Corporation and as a Director of Carnival plc	Management	Against	Lack of board independence.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	2	Approve Remuneration Policy	Management	Against	Excessive increases.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	3	Approve Remuneration Report	Management	Against	Excessive increases.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	6	Re-elect Richard Burrows as Director	Management	Against	Continued remuneration failures.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	9	Re-elect Luc Jobin as Director	Management	Against	Continued board failures.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	10	Re-elect Holly Koepfel as Director	Management	Against	Continued board failures.	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	12	Re-elect Dimitri Panayotopoulos as Director	Management	Against	Continued remuneration failures	
British American Tobacco plc	United Kingdom	04/25/2019	Annual	13	Re-elect Kieran Poynter as Director	Management	Against	Continued board failures.	
AstraZeneca Plc	United Kingdom	04/26/2019	Annual	5f	Re-elect Graham Chipchase as Director	Management	Against	Continued remuneration failures.	
AstraZeneca Plc	United Kingdom	04/26/2019	Annual	6	Approve Remuneration Report	Management	Against	Pay for performance disconnect and lack of shareholding by CEO	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	2	Approve Remuneration Policy	Management	Against	Framework is highly dependent on short-term targets.	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	3	Approve Remuneration Report	Management	Against	Lack of disclosure on targets.	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	13	Re-elect Andrew Harrison as Director	Management	Against	Chair of the Remuneration Committee and concerns around remuneration	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	19	Approve Value Creation Plan	Management	Against	Framework is highly dependent on short-term targets.	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	20	Approve Annual Incentive Plan	Management	Against	Framework is highly dependent on short-term targets.	
Ocado Group Plc	United Kingdom	05/01/2019	Annual	23	Approve the Amendment to the Chairman's Share Matching Award	Management	Against	Lack of disclosure and reasoning.	

LF Access UK Equity Fund - Schroders									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Unilever Plc	United Kingdom	05/02/2019	Annual	6	Re-elect Dr Marijn Dekkers as Director	Management	Against	Role played at intention to simplify the Unilever Group's dual-parent structure and withdrawal.	
GlaxoSmithKline Plc	United Kingdom	05/08/2019	Annual	13	Re-elect Urs Rohner as Director	Management	Against	Remuneration progress not in shareholders best interests.	
ITV Plc	United Kingdom	05/08/2019	Annual	2	Approve Remuneration Report	Management	Against	LTIP targets not in shareholders best interests.	
Rentokil Initial Plc	United Kingdom	05/08/2019	Annual	2	Approve Remuneration Report	Management	Against	A move away from TSR is not in shareholders best interests.	
Standard Chartered Plc	United Kingdom	05/08/2019	Annual	4	Approve Remuneration Policy	Management	Against	Move to fixed pay with potential excessive outcomes.	
Standard Chartered Plc	United Kingdom	05/08/2019	Annual	10	Re-elect Christine Hodgson as Director	Management	Against	Continued remuneration issues.	
Melros Industries Plc	United Kingdom	05/09/2019	Annual	2	Approve Remuneration Report	Management	Abstain	Pay has potential to reward excessive payments	
BP Plc	United Kingdom	05/21/2019	Annual	23	Approve the Follow This Shareholder Resolution on Climate Change Targets	Shareholder	Against	The proposal asks the company to set and publish quantitative targets for Scope 1, 2 and 3 GHG emissions. We find agreement with the Board on this matter stating this would restrict the flexibility of the company in terms of adjusting the pace and direction of the energy transition. This decision is particularly important here as this special resolution is binding, and this resolution would shift the Company's strategic decision-making away from the Board. A vote against the resolution is decided.	

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LF Access UK Equity Fund - Schroders									
Company Name	Country	Meeting Date	Meeting Type	Proposal Label	Proposal Text	Proposed By	Vote Instruction	Voter Rationale	Rationale for difference from ACCESS Guidelines
Royal Dutch Shell Plc	United Kingdom	05/21/2019	Annual	22	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Shareholder	Against	The proposal requests the company to set and publish targets for GHG emissions. The proponent has subsequently withdrawn support for the proposal (April 2019) stating that Shell was already addressing the issue and responding in an appropriate and sufficient manner by way of the company's NCF ambition. To this statement we concur and so a vote against the resolution is decided.	
Aviva Plc	United Kingdom	05/23/2019	Annual	6	Re-elect Andy Briggs as Director	Management	Abstain	Andy stepped down from the board.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	a	Remove Wolfhart Hauser as Director	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	c	Remove Imelda Walsh as Director	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	e	Remove James Winestock as Director	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	g	Remove Any Person Appointed as a Director since the Date of the Requisition of the General Meeting	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	j	Elect David Martin, a Shareholder Nominee to the Board	Shareholder	Abstain	Resolution withdrawn	
FirstGroup Plc	United Kingdom	06/25/2019	Special	k	Elect Jim Compton, a Shareholder Nominee to the Board	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	l	Elect Elizabeth Filkin, a Shareholder Nominee to the Board	Shareholder	Against	Strategic decision in the best interest of the company.	
FirstGroup Plc	United Kingdom	06/25/2019	Special	m	Elect Patricia Barron, a Shareholder Nominee to the Board	Shareholder	Against	Strategic decision in the best interest of the company.	

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