

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	5 March 2021
Title:	Shareholder voting highlight report
Report From:	<i>Deputy Chief Executive and Director of Corporate Resources</i>

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Purpose of this Report

1. This report provides information regarding the Pension Fund's equity investment managers' engagement with the management of the companies the Pension Fund invests in, including how the investment managers have voted on behalf of the Fund during the period July – December 2020.

Recommendations

2. That the Pension Fund Responsible Investment Sub-Committee notes how the Pension Fund's investment managers have voted the shares in the Fund's portfolios and engaged with the management of these companies as highlighted in this report.

Executive Summary

3. The Pension Fund is a signatory to the UN Principles for Responsible Investment and the UK Stewardship Code and as such recognises its role of promoting best practice in stewardship, which is considered to be consistent with seeking long term investment returns. As a Pension Fund whose investments are externally managed, much of the day-to-day responsibility for implementing stewardship on behalf of the Fund is delegated to the Fund's investment managers, including engagement and casting shareholder votes for its equity investments, and the expectations of the investment managers are set out in the Fund's Responsible Investment Policy as part of the Investment Strategy Statement.
4. The Fund recognises that there are different expectations for its investment managers in terms of how investment managers engage with companies,

but as a minimum all are expected to engage with invested companies on areas of concern related to ESG issues and to also exercise voting rights particularly with regard to ESG factors, in a manner that will most favourably impact the economic value of the investments. In addition, the Fund's active investment managers are required to pro-actively consider how all relevant factors, including ESG factors, will influence the long-term value of each investment. Paragraphs 12-20 of this report provide examples of how the Fund's active investment managers have engaged with the management of the companies the Fund is invested in.

5. 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, as well as 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.
6. 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.
7. How votes are cast by the Pension Fund 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 portfolio) were voted in accordance with Hampshire's voting policy, which is part of its Responsible Investment policy. Following the transition of Acadian's portfolio and Baillie Gifford's Global Alpha portfolio to ACCESS in November and December 2020 respectively, the Fund has no directly held equities.
 - Equities directly held in the ACCESS pool (Baillie Gifford's Long-term Global Growth portfolio) will be voted in accordance with ACCESS's 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.
8. Dodge & Cox report on their voting activity annually, unlike the quarterly reports of the other investment managers. As this information is reported annually, and was reported in October 2020, Appendix 1 does not contain any voting information for Dodge & Cox.

9. Dodge & Cox have agreed with the investors in the ACCESS pool to move to a segregated portfolio and are currently implementing the necessary changes with the pool Operator, Link. This will enable Dodge & Cox to improve the frequency of reporting and level of information provided on shareholding voting, in line with the other investment managers in the ACCESS pool.
10. As a result of the Pension Fund's policy there is a risk that its investment managers could cast their votes differently for the same shareholder resolution, and examples of these are described in paragraph 24 onwards. However, the Fund believes its current policy remains the best approach as it enables the Fund's investment managers to cast votes in line with the portfolio investment strategy that led to holding the stock.
11. The Pension Fund publishes its investment manager's voting reports online:

<https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/joint-pension-fund-panel/responsible-investment>

Engagement highlights

12. In order for the Responsible Investment (RI) Sub-Committee to scrutinise the engagement activity of the Pension Fund's investment managers, the following paragraphs provide a summary of engagement highlights from 2020.

Acadian

13. Acadian have had ongoing discussions with Kaiser Aluminium and Reliance Steel and Aluminium throughout 2020 regarding the disclosure of information regarding their carbon emissions and strategies to reduce emissions. Acadian has also engaged with these companies relating to their safety performance. Initially the companies noted that data would not be disclosed. However since initial discussions, disclosure has improved to some degree but unfortunately are still not to the level of detail that Acadian hopes for. The companies have both stated that additional disclosure is being reviewed and evaluated and Acadian continues to engage on these issues.
14. Acadian engaged with gold miners, Evolution Mining, Centerra Gold, Royal Gold and Materion, on both issues of climate as well as safety. While existing disclosure was lacking, most companies were able to provide details of the required information and commented that efforts were being taken to build a sustainability team and/or more detailed sustainability reporting.

Management commented that Acadian's requests for information were useful to help determine their future reporting frameworks.

Baillie Gifford: Long Term Global Growth

15. Baillie Gifford's relationship with Amazon has strengthened over the years since they first took a holding for the Long Term Global Growth portfolio in 2004. During this period, Baillie Gifford has addressed a range of ESG issues, including compensation, succession planning, data privacy, taxation, environmental sustainability, diversity and worker rights. Notable actions by the company have included, for example, the commitment to meet its obligations to the Paris Agreement on climate change a decade early, its decision to raise the minimum wage for its fulfilment centre workers, and a well-prepared leadership transition scheduled for 2021 which will see founder Jeff Bezos become Executive Chair and Andy Jassy become CEO. Whilst such steps are encouraging, Baillie Gifford believes Amazon can go further to improve its approach to social issues. In 2019, Baillie Gifford visited a local fulfilment centre to help them understand the environment in which warehouse workers operate, and Baillie Gifford spoke with Amazon's senior independent director to encourage greater disclosure and better practices. During a further meeting in 2020, Amazon's new head of ESG engagement acknowledged shortcomings in the company's disclosures on social issues (specifically employee health and safety) and signalled that they wish to engage with Baillie Gifford on this topic. This will remain an ongoing focus for engagement activities which Baillie Gifford hopes will result in further tangible improvements in transparency and practice.
16. Some years after first taking a holding in Tesla for the Long Term Global Growth portfolio in 2013, Baillie Gifford felt the company was not doing enough to publicly disclose relevant company information. Most notably, Tesla was not publishing standard firm-wide health and safety data; meanwhile, external sources suggested injury rates were much higher than industry average. In 2018, Baillie Gifford therefore arranged a meeting with Laurie Shelby, Head of Environmental, Health and Safety, at the company's Fremont factory – her first meeting with shareholders. Baillie Gifford were encouraged by the policies and practices being introduced and Baillie Gifford reiterated their calls for greater public disclosure. In 2019, Tesla published its inaugural Impact Report which offered a comprehensive review of the impacts of its operations and products, including healthy and safety data. Tesla's second Impact Report published in 2020 went even further in its disclosures and encouragingly it reported that its injury rate had fallen below industry average. The company has since invited Baillie Gifford's suggestions for next year's report. Baillie Gifford advised that more detail on operational emissions, corresponding reduction strategies, supply chain auditing, and additional health and safety data would be useful for shareholders, and their dialogue is ongoing.

Baillie Gifford: Global Alpha

17. A conversation with the founder and CEO, Susumu Fujita, of CyberAgent reassured Baillie Gifford that this Japanese digital platform business is improving its governance. Baillie Gifford had previously written to the company with their concerns at the lack of board independence. On the call Baillie Gifford were told that steps are being taken to address this, with the former CEO of Nestle Japan appointed to the board and further independent hires in the pipeline. Baillie Gifford are encouraged that CyberAgent has been receptive to their advice.
18. Baillie Gifford met with AJ Gallagher's executive management to discuss its tax strategy. Baillie Gifford have engaged with the company on this since 2017. AJ Gallagher purchased clean coal credits that substantially lowered the company's effective tax rate over a number of years. While acknowledging the positive impact clean coal credits had on encouraging lower carbon, nitrogen and sulphur oxide emissions, Baillie Gifford look for companies to consider corporation tax as a social licence to operate rather than a cost they seek to minimise. The company agrees with this and is committed to a fair taxation policy. Baillie Gifford are encouraged that their patient engagement on tax has encouraged AJ Gallagher's to change its approach.

Dodge & Cox

19. When evaluating Television Broadcasts (TVB), capital allocation and governance were important considerations to Dodge & Cox. In May of 2019, Dodge & Cox spoke with TVB management and expressed their dissatisfaction with the company's treasury function. They discussed revamping the company's decision-making process and control functions for cash management. These discussions combined with the qualified opinions on the financial statements that TVB received in 2018 and 2019 led Dodge & Cox to vote against management's proposal to "Accept Financial Statements and Statutory Reports" at the 2019 and 2020 annual meetings. Dodge & Cox have continued to engage with the company on these subjects.
20. In 2019 – 2020, Dodge & Cox spoke extensively with the HP Inc. (HPQ) board and management about the potential merger with Xerox. Dodge & Cox talked at length with the company about capital allocation, shareholder value, and strategy. The proposal from Xerox along with HPQ's engagement with their shareholders led HPQ to adopt a new Shareholder Return Program which focused on increasing value to their shareholders. This was something Dodge & Cox were very pleased with as they had many focused conversations on this topic. Additionally, when HPQ adopted a Poison Pill, Dodge & Cox spoke with them about the reasons behind the decision. Subsequently, Xerox announced that they no longer intended to acquire HPQ and Dodge & Cox were surprised that HPQ kept the Poison Pill in

place. Dodge & Cox expressed their dissatisfaction around the adopted Poison Pill and communicated their expectations around messaging and removal of this Pill. HPQ removed the Poison Pill from their by-laws well before the Pill expired.

Voting highlights

21. In order for the RI Sub-Committee to scrutinise the voting activity for the Pension Fund's investments a summary of voting highlights for the period July – December 2020 is contained in Appendix 1. The highlight report does not attempt to quantify the number of votes cast by the Fund's investment managers (which is significant) but focuses on providing examples of the types of issues where investment managers have voted against company management, resolutions of fellow shareholders, or on sensitive or topical issues.
22. The majority of votes cast against company management by the Fund's investment managers cover the following reasons:
 - Nominees for company directors who are not sufficiently independent, have too many other outside interests, or who have a history of managing the company and ignoring shareholders' concerns.
 - Remuneration policies where the level of pay is felt to be excessive and/or short-term incentives are more valuable than long-term incentives and do not provide adequate alignment with shareholders' long-term interests.
 - To improve the empowerment of investors by reducing threshold percentages required to allow the calling of special meetings and improving the existing proxy access right.
 - The appointment of auditors where the incumbent audit firm has been in place too long or the disclosure of non-audit fees to the company were not clear.
23. In all these instances voting against the company management is in line with Hampshire's or ACCESS's policy. Both policies do, however, allow for the investment manager to exercise their judgement and to not follow the policy if they can provide a suitable rationale for doing so. The highlight report shows the sorts of instances where Baillie Gifford have exercised this discretion and chosen to support the company management on some of these issues, where they believe that there are compensating governance controls in place.
24. The review of voting records has highlighted instances where the Pension Fund's investment managers have voted differently on the same point; examples of these are in Table 1.

Company	Proposal	Proponent	Acadian	Baillie Gifford	UBS
Microsoft Corporation	Ratify Deloitte & Touche LLP as Auditors	Mgmt	Against	For	For
Oracle Corporation	Ratify Ernst & Young LLP as Auditors	Mgmt	Against	Not held	For
	Various elect directors	Mgmt	For	Not held	Withhold
Tesla, Inc.	Elect Director Elon Musk	Mgmt	Not held	For	Against
	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	Not held	For	Against
	Additional Reporting on Human Rights	SH	Not held	Against	For

24. Acadian voted against the management on ratifying Deloitte and Touche LLP as Auditors at the Microsoft meeting in December 2020 because the auditor tenure had exceeded 10 years. UBS voted for the proposal due to the fact that UBS amended their voting guidelines in 2020 such that they will vote against audit firms if they do not rotate their audit partner in line with market practice, as opposed to voting against the audit firm after a base service period of greater than 20 years (which was their previous policy). As both companies meet UBS's current requirement for partner rotation, they did not determine that a vote against was warranted.
25. Acadian voted against the management on ratifying Ernst & Young LLP as Auditors at the Oracle meeting in November 2020 again because the auditor tenure had exceeded 10 years. UBS voted for the proposal in line with the voting policy outlined in paragraph 24.
26. Within the same meeting, Acadian voted for a number of directors to be elected, whilst UBS withheld their vote. UBS withheld their vote on the election of two directors who are members of the Compensation Committee, and this was because according to UBS's voting guidelines there had been insufficient responsiveness to continued low support for the say-on-pay vote. Within UBS's voting guidelines it is expected that companies who have received a significant vote against their compensation (>25%) of votes cast to make progress over time to resolve the issues raised by investors. Oracle received votes against their compensation in 2017 (50% vote against say-on-pay), 2018 (46% vote against) and 2019 (42% vote against). UBS's policy states that this indicates that the company are not resolving the matters raised and therefore UBS will vote against those individuals on the board with responsibility (i.e. those on the compensation committee). The vote for 2020 again received a 41% vote against by shareholders.

27. Acadian voted for these proposals as following their review of the Compensation Committee's responsiveness to the say-on-pay vote, although there has been low support for say-on-pay proposals for seven consecutive years, they found that the Compensation Committee has disclosed shareholder engagement efforts and the feedback received, and this has significantly improved year-over-year. Further, the board made a commitment to maintain the existing terms of the outstanding front-loaded awards in response to recent shareholder feedback. The committee has therefore demonstrated sufficient responsiveness and Acadian felt that support for Compensation Committee members was warranted.

28. At Tesla's annual meeting in September 2020, Baillie Gifford chose to support the election of Director Elon Musk, which UBS voted against this proposal. UBS voted against as they believed that the amount of shares pledged by this Director represents a material risk to shareholders. Baillie Gifford voted for this proposal as they are comfortable with this director candidate, although ACCESS guidelines recommend investment managers oppose the election of an executive director where there is no senior independent director. Investment managers are required to comply or explain in regards to the ACCESS voting guidelines.

29. Within this same meeting, UBS chose to vote against the advisory vote to ratify named executive officers' compensation as they felt that the aggregate level of compensation was excessive. Baillie Gifford voted for this proposal, which is within ACCESS's voting guidelines. In addition there was a shareholder proposal at the meeting to provide additional reporting on human rights. UBS voted for this proposal as they are supportive of resolutions seeking reports from issuers on specific issues on the condition these are not overly demanding or beyond the remit of the company's reporting. Baillie Gifford voted against this proposal as they think that Tesla's current policies and practices are reasonable and improving, making this proposal unnecessary.

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 members.

Acadian (global equities)

Stock	Proposal	Vote	Rationale
Carter Bank & Trust	Authorise New Class of Preferred Stock	Against	A vote against this proposal is warranted because the board has not specifically stated that the shares may not be used for antitakeover purposes in the future.
Ennis Inc	Elect Directors	Against	A vote against incumbent director nominees Keith Walters and Gary Mozina is warranted because the company demonstrated only mixed responsiveness to shareholder concerns following last year's failed say-on-pay proposal.
Ennis Inc	Remuneration	Against	A vote against this proposal is warranted because the compensation committee demonstrated only mixed responsiveness to shareholder concerns follow last year's failed say-on-pay proposal.
General Mills, Inc.	Ratify KPMG LLP as Auditors	Against	A vote against is warranted since the auditor tenure exceeds 10 years.
Marshall Motor Holdings plc	Accept Financial Statements and Statutory Reports	Against	A vote against this resolution is warranted because of the following reasons: <ul style="list-style-type: none"> - The composition of the Remuneration Committee is not compliant with recommended guidelines; - Awards granted to the Executive Directors during the year under review do not vest subject to the achievement of performance hurdles; and - The Remuneration Committee granted discretionary awards during the year.
Marshall Motor Holdings plc	Elect Directors	Against	A vote against the re-election of Christopher Walkinshaw is warranted because a potential independence issue has been identified and he currently sits on the Audit Committee, and the composition of the Committee does not adhere to UK best practice recommendations for a company of this size.
Microsoft Corporation	Report on Employee Representation on the Board of Directors	Against	A vote against a shareholder resolution. A vote against this proposal is warranted. The company's current board framework and disclosures appear to be providing it with adequate oversight of workforce issues. In addition it is unclear how the requested report may meaningfully address risks related to the company's workforce.

Neto M.E. Holdings Ltd	Reappoint BDO Ziv Haft as Auditors and Authorise Board to Fix Their Remuneration	Against	A vote against this is warranted since the auditor's tenure exceeds is undisclosed.
Oracle Corporation	Report on Gender Pay Gap	For	A vote for a shareholder resolution. A vote for this proposal is warranted as shareholders would benefit from additional information allowing them to measure the progress of the company's diversity and inclusion initiatives.
Oracle Corporation	Require Independent Board Chair	For	A vote for a shareholder resolution. A vote for this proposal is warranted. Ongoing concerns regarding the company's compensation practices, the significant pledging by the company's chair, long-term underperformance against peers, and the non-robust lead director role suggest that shareholders may benefit from a board led by an independent chair who could provide better oversight of management.
The Procter & Gamble Company	Report on Efforts to Eliminate Deforestation	For	A vote for a shareholder resolution. A vote for this resolution is warranted as shareholders would benefit from additional information on the company's strategy to manage its supply chain's impact on deforestation.
The Procter & Gamble Company	Publish Annually a Report Assessing Diversity and Inclusion Efforts	For	A vote for a shareholder resolution. A vote for this resolution is warranted as reporting quantitative and comparable diversity statistics would allow shareholders to better assess the effectiveness of the company's diversity initiatives and its management of related risks.
Vienna Insurance Group AG	Ratify KPMG Austria GmbH as Auditors for Fiscal 2021	Against	A vote against the ratification of KPMG as the company's audit firm is warranted given that the non-audit fees are 53.7% of the total fees received by the audit firm during the fiscal year, raising substantial doubts over the independence of the auditor.
Vienna Insurance Group AG	Approve Remuneration Policy	Against	A vote against this resolution is warranted because: <ul style="list-style-type: none"> - The proposed remuneration policy contains significant scope for the award of discretionary payments. Such payments represent a serious breach of good remuneration practices and falls short of market best practice standards. - The policy does not contain a real long-term oriented compensation component.

Village Super Market, Inc	Elect Directors	Withhold	A withhold vote is warranted since the Chairman has failed to establish gender diversity on the board.
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Baillie Gifford – Long-Term Global Growth (global equities) (ACCESS)

Stock	Proposal	Vote	Rationale
HDFC Corp	Elect Director(s)	For	ACCESS guidelines recommend we oppose the election of an executive director where there is no senior independent director. We are comfortable with this director candidate and therefore supported.
Indetix	Remuneration – Say on Pay	For	ACCESS guidelines recommend opposing remuneration where the performance period is less than five years. We are comfortable with the remuneration arrangements at the company and therefore supported.
NetEase.com ADR	Appoint/Pay Auditors	For	ACCESS guidelines recommended opposing as the tenure of the audit firm was over ten years. We believe auditor tenure is an important issue however do not require a change in auditor after ten years. We instead focus on if the company has a process in place to tender for a new auditor over a suitable timeframe.
Pinduoduo Inc ADR	Elect Director(s)	For	ACCESS guidelines recommend we oppose the election of the board chair where there is no senior independent director. We are comfortable with this director candidate and therefore supported.
Tesla Inc	Shareholder Resolution - Governance	Against	We opposed a shareholder proposal requesting the company amend its approach to marketing and advertising. This proposal seeks to micromanage a part of Tesla's business which is best looked after by the management team.
Tesla Inc	Shareholder Resolution - Governance	For	We supported a shareholder proposal to eliminate supermajority voting requirements from the company's bylaws and to adopt a simple majority voting standard. We think this change is in shareholders' best interests.
Tesla Inc	Shareholder Resolution - Social	For	We supported a shareholder proposal requesting a report on the company's use of arbitration to resolve employee disputes. We think additional disclosure and transparency on this provision would be helpful in understanding Tesla's workplace practices.

Baillie Gifford – Global Alpha (global equities)

Stock	Proposal	Vote	Rationale
BHP Group PLC	Suspend membership from certain trade associations due to misalignment with the approach to climate change	Against	We opposed a shareholder resolution to suspend the company's membership from certain trade associations where there is a misalignment with the approach to climate change. We think the company has demonstrated responsiveness and progress on this issue and do not think this resolution warrants support at this time.
Estee Lauder	Remuneration	Against	We opposed the executive compensation policy as the company granted special equity awards during the year which we do not believe are aligned with shareholders' best interests.
Just Eat Takeaway.com	Remuneration	Against	We opposed the new remuneration policy for the incoming Grubhub CEO Matthew Maloney due to concerns around the structure of the long term incentive and severance plans.
Microsoft	Elect Directors	Against	We opposed a shareholder resolution requesting a report on employee representation on the board of directors as we are satisfied that the company's existing director selection and election process is appropriate to maintain a competent board to oversee the business.
Tesla Inc	Eliminate supermajority voting requirements	For	We supported a shareholder proposal to eliminate supermajority voting requirements from the company's bylaws and to adopt a simple majority voting standard. We think this change is in shareholders' best interests.

UBS – passive equities

Stock	Proposal	Vote	Rationale
51job, Inc	Elect Directors	Against	We will not support the election of the Chair of the Nomination Committee where there are no female directors on the board.
ABB India Limited	Elect Directors	Against	The nominee holds a significant number of positions on the boards of listed companies, raising concerns over their ability to commit sufficient time to the role.
Aberdeen Standard Asia Focus PLC	Elect Directors	Against	Candidate is not considered independent and is serving on a committee that should be fully independent.
Aena S.M.E. SA	Approve Instructions to the Board to Present the Climate Action Plan at the 2021 AGM and Updated Climate Action Reports at the AGM that May be Held as from 2022 (Inclusive) and to Submit them to a Consultative Vote as a Separate Agenda Item	For	A vote for a shareholder resolution. We support proposals that require issuer to report information concerning their potential liability from operations that contribute to global warming, their goals in reducing these emissions, their policy on climate risks with specific reduction targets where such targets are not overly restrictive and the degree to which a company is in line with its industry sector's 2 degrees glide path.
Alstom SA	Remuneration	Against	Regarding the approval of the remuneration policy of the Chairman and CEO. Yearly pension contribution rates exceed 30% of salary and are considered excessive.
Bangkok Dusit Medical Services Public Co. Ltd.	Elect Directors	Against	We will not support any directors convicted on market misconduct, fraud, corruption and accounting manipulation.

BHP Group Limited	Approve Suspension of Memberships of Industry Associations where COVID-19 Related Advocacy is Inconsistent with Paris Agreement Goals	Against	A vote against a shareholder resolution. Following a similar proposal in the previous year the company implemented a set of new procedures in August 2020 that aim to clarify the company's stance to industry associations. Therefore, this proposal was not deemed necessary as the company has made progress in addressing shareholder concerns.
Broadridge Financial Solutions, Inc.	Report on Political Contributions Disclosure	For	A vote for a shareholder resolution. We will not support company proposals allowing companies to make political donations and will support shareholder proposals requiring companies to be transparent concerning such donations.
FedEx Corporation	Report on Integrating ESG Metrics Into Executive Compensation Program	For	A vote for a shareholder resolution. A report on the inclusion of ESG criteria in executive pay would be in the interest of shareholders, given the Company's exposure to ESG risk and lack of non-financial criteria in its current pay framework.
Korea Electric Power Corp.	Elect Directors	Against	We are concerned by the company's approach to managing its climate risk. It is our view that the board has overall responsibility for insufficient progress in this regard.
Oracle Corporation	Report on Gender Pay Gap	For	A vote for a shareholder resolution. Oracle lags peers on diversity and pay fairness reporting. Shareholders would benefit from additional information allowing them to measure the progress of the company's diversity and inclusion initiatives.
Ted Baker Plc	Accept Financial Statements and Statutory Reports	Against	We will not support financial accounts where the Company has failed to publish its accounts on time or there are strong concerns relating to their accuracy or reliability.
The Procter & Gamble Company	Report on Efforts to Eliminate Deforestation	For	A vote for a shareholder resolution. We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.

The Procter & Gamble Company	Publish Annually a Report Assessing Diversity and Inclusion Efforts	For	A vote for a shareholder resolution. We are supportive of resolutions seeking reports from issuers on specific issues on the condition these are not overly demanding or beyond the remit of the company's reporting.
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