

## Statement of Compliance with UK Stewardship Code

### **Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

The fund has a long-standing commitment to responsible share ownership. Stewardship is an integral part of share ownership and therefore of the investment code, and requires the same commitment from fund managers. The practical application of the fund's policy is achieved through a combination of activities including, but not limited to: directly voting our shares, dialogue and liaison with fund managers on key issues and through our membership of the Local Authority Pension Fund Forum (LAPFF) and Borders to Coast Pensions Partnership (BCPP). In addition to this Stewardship Code Statement, the fund maintains an Investment Strategy Statement which explains its investment beliefs in more detail.

### **Principle 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.**

The fund encourages fund managers to have effective policies addressing potential conflicts of interest. In respect of conflicts of interest within the fund, Investment Board members are required to make declarations of interest prior to each quarterly meeting.

### **Principle 3 - Institutional investors should monitor their investee companies.**

Day-to-day responsibility for managing our equity holdings is delegated to our appointed fund managers. The fund expects them to monitor companies, intervene where necessary, and report back regularly on activity undertaken. In addition, the fund actively votes all its equity holdings directly and liaises with the fund managers as necessary.

### **Principle 4 - Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.**

Responsibility for day-to-day interaction with companies is delegated to the fund's fund managers, including the escalation of engagement when necessary. We expect fund managers to disclose their policies and procedures for escalation in their own Stewardship Code statements

### **Principle 5 - Institutional investors should be willing to act collectively with other investors where appropriate.**

The fund seeks to work collaboratively with like-minded institutional shareholders in order to maximise the influence that it can have on individual companies. This is achieved in a variety of ways including through our membership of the LAPFF, investment via BCPP and ad-hoc initiatives proposed by our fund managers or other advisors.

### **Principle 6 - Institutional investors should have a clear policy on voting and disclosure of voting activity.**

The fund directly exercises all votes attached to its segregated equity holdings. The voting policy is a custom policy based on global and local market best practice principles. All voting decisions are made by Fund officers using a variety of inputs including, but not limited to, specialist proxy research. The policy is reviewed at least annually in order to take account of regulatory developments.

**Principle 7 - Institutional investors should report periodically on their stewardship and voting activities.** The fund reports annually on stewardship activity undertaken during the year in the report and accounts and a presentation is given to members who have the opportunity to ask questions about the fund's stewardship activities.