



# LPP

Local Pensions Partnership  
Investments

## Shareholder Voting Policy



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# 1. Introduction

## 1.1 Definitions

Abbreviation (A-Z)	Definition
GEF	Global Equities Fund
ISS	Institutional Shareholder Service
LPPI Local Pensions Partnership Investments	Local Pensions Partnership Investments
the Policy	Shareholder Voting Policy

## 1.2 Summary of relevant regulations and legislation

This policy complies with the following regulations and/or legislation:

*Shareholder Rights Directive II*

## 1.3 Purpose

Local Pensions Partnership Investments (LPPI) is committed to achieving sustainable investment returns over the long term through an approach to stewardship which embraces responsible investment principles and practice.

We believe that well-governed companies are best equipped to manage business risks and opportunities, and this contributes to achieving optimum risk-adjusted returns over the long term.

We encourage strong governance and sustainable business practices through our oversight and engagement activities. These feature company monitoring and dialogue via a range of channels including, directly, via the third-party investment managers we select to work with us, via our engagement services provider Robeco, and via our shareholder voting. We also support and participate in wider collaborations and frequently work alongside other investors as part of initiatives that build consensus and seek to use collective influence to encourage positive change.

In this document we articulate our approach and arrangements for shareholder voting for our LPPI Global Equities Fund. We have set out details of how we apply this policy separately, in our [Shareholder Voting Guidelines](#), where we explain our beliefs, expectations, and the priority themes which underpin our voting actions.

## 2. Policy standards and criteria

### 2.1 Policy objectives

We aim to ensure that:

- Our voting rights are exercised appropriately;
- Our voting process is consistent, efficient and auditable;
- Voting decisions are congruent with our investment beliefs and reflect the long-term financial interests of our clients;
- Voting activity reflects our commitment to responsible investment and considers the responsible investment priorities outlined by our client pension funds.

### 2.2 Voting arrangements

The listed equities we manage fall within the LPPI Global Equities Fund (GEF) which comprises an internally managed portfolio supplemented by segregated external mandates.

The voting rights for stocks within the GEF are retained and exercised centrally by LPPI rather than being delegated to third party external managers. We use our best efforts to vote each shareholder meeting we are entitled to participate in. However, in some circumstances it may be impractical or impossible for us to vote. For example, in international markets where share blocking applies, we typically may not vote due to liquidity constraints.

Where LPP participates in securities lending, procedures are in place to assess the appropriateness of recalling lent stock ahead of shareholder meetings in order to ensure the ability to vote. In each case, the direct monetary impact of recalling shares will be considered against the

discernible benefits of exercising voting rights. Decisions will reflect the significance of items on the ballot and whether LPPI has actively supported reform of the company's governance practices via engagement or other coordinated efforts including shareholder proposals.

The day-to-day management of our shareholder voting activities is undertaken by the Responsible Investment Team which is overseen by the Head of Responsible Investment. The process is supported by services from an external provider, Institutional Shareholder Services (ISS):

- A web-based voting and research platform (ISS ProxyExchange);
- Voting recommendations in line with a designated voting policy;
- Access to governance data, research and analytics;
- Ballot administration and vote execution;
- Monitoring and reporting functionality.

Voting recommendations are made in accordance with the ISS Sustainability Proxy Voting Guidelines. These guidelines are designed to reflect the requirements of investors who have made commitments to the integration of environmental, social and corporate governance (ESG) issues and to responsible investment practices in line with the UN-backed Principles of Responsible Investment. The sustainability guidelines are reviewed and updated annually to ensure they reflect changes in norms and standards as well as new academic research, empirical studies, and market commentary as appropriate. LPPI uses available channels, including client and user surveys, to provide feedback on ISS services and ensure our needs and priorities help to shape their evolution.



As part of ongoing oversight, the Responsible Investment Team identifies all upcoming company meetings with votes and reviews the related ISS analysis and recommendation, with particular focus given to votes on priority themes. The Responsible Investment Team liaises with the internal investment team to agree an appropriate stance where resolutions are related to internal holdings. Where resolutions are complex or contentious, they may also seek insight from a third-party manager who has been in direct dialogue with the company as part of an engagement programme.

As warranted, the Head of Responsible Investment will seek the views of the LPPI Stewardship Committee which is chaired by the Chief Investment Officer. Collectively, the LPPI Stewardship Committee is the ultimate arbitrator on stewardship matters.

In cases where a decision is taken to depart from the ISS voting recommendation, the underlying voting rationale is recorded for reporting purposes.

The Stewardship Committee receives and reviews voting statistics quarterly.

## 2.3 Reporting and disclosure

To protect confidentiality and remove the opportunity for undue influence as a result of external intervention or duress, LPPI will not enter dialogue about voting intentions publicly or with external third parties in advance of company meetings taking place.

Pre-disclosure may be considered for specific resolutions by exception subject to authorisation from the Stewardship Committee. Generally, we would reserve pre-disclosure for circumstances where we have made a pre-existing commitment to work collaboratively with other investors as part of an initiative agreed in advance.

LPPI provides regular reports to client pension funds on shareholder voting activity for the GEF as part of information on wider stewardship and responsible investment activities.

LPPI publicly discloses summary information on voting activity through quarterly reports published retrospectively on our [company website](#).



## 2.4 Voting philosophy

In our view, shareholder voting is not a route to micro-manage companies or impose formulaic standards without due consideration for the context. We use voting to encourage companies to adopt best practice standards but recognise that pragmatism is needed to accommodate local circumstances and scenarios.

We have no management bias and will consider voting against management where companies lag consistently behind accepted norms of good governance, are resistant to dialogue or fail to show evidence of sufficient progress. In circumstances where we use voting to voice concerns, we will seek to target the individual, committee or proposal most directly associated with the specific issue. For example, where remuneration policy and practices persistently fall below market standards and the appropriate expectations of shareholders, we may oppose the election or re-election of remuneration committee members.

We assess shareholder proposals on their individual merits. We will consider giving support to resolutions which provide an impetus for positive change on matters of significance to institutional shareholders where they;

- Are carefully drafted and proportionate;
- Are accompanied by an appropriate system of checks and balances;
- Are protective of the best interests of long-term investors;
- Do not seek to negate the responsibilities of Board.

Shareholder resolutions are most likely to be viewed sympathetically when they introduce proposals that are proportionate to the underlying issue, are not unnecessarily complex or onerous, and have implementation costs which are reasonable in light of the scope of the benefit to be produced.

LPPI will consider co-filing shareholder resolutions with other investors where this offers an appropriate route for active engagement on issues of stewardship priority.



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**LPP**  
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Company registration no: 09835244  
Incorporated in England and Wales and trading as LPPI

Authorised and regulated by the Financial Conduct Authority  
Reference number: 724653

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