

# TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 13

## PENSION FUND COMMITTEE REPORT

12 DECEMBER 2018

### STRATEGIC DIRECTOR FINANCE, GOVERNANCE & SUPPORT – JAMES BROMILEY

#### SHAREHOLDER GOVERNANCE REPORT

#### 1 PURPOSE OF THE REPORT

- 1.1 To report on action taken in implementing the Fund's policy on Corporate Governance.

#### 2 RECOMMENDATION

- 2.1 That Members note the action taken in respect of the policy.

#### 3 FINANCIAL IMPLICATIONS

- 3.1 There are no particular financial implications arising from this report.

#### 4 BACKGROUND

- 4.1 The Fund's 2018/19 Business Plan requires that an annual report on voting activity is presented to the Committee.

#### 5 IMPLEMENTATION OF POLICY

- 5.1 A detailed report of the Fund's voting activity for the period October 2017 to July 2018 are is available on our website [www.teespen.org.uk](http://www.teespen.org.uk). The report is produced by our proxy voting advisory service advisor, PIRC.
- 5.2 The report provides a summary of our voting activity by issue. In addition PIRC report on voting outcomes where there was notable dissent (greater 10% of votes cast as oppose).

#### 6 APPROACH TO CORPORATE GOVERNANCE POST POOLING

- 6.1 The Fund's UK equities transferred into a Border to Coast Pension Partnership internally managed fund in July 18. Despite this, the Fund remains responsible for the corporate governance of the Fund. However, as the holder of the equities, Border to Coast will carry out shareholder voting on behalf of the Fund, using a Corporate Governance Policy, collectively developed and agreed between all of the funds in the Pool. Border to Coast has engaged Robeco to support them, in the same way that PIRC assisted the Fund previously.

6.2 The Fund is in the process of developing a Responsible Investment Policy, which will encompass environmental, social and governance issues. It will dovetail with the policies of external providers such as Border to Coast and State Street Global Advisors. A progress update will be provided at the next Committee meeting.

CONTACT OFFICER: Nick Orton, Head of Pensions Governance and Investments

TEL NO: 01642 729040