

By: Director of Finance
To: Superannuation Fund Committee - 12 September 2008
Subject: **ENVIRONMENTAL, SOCIAL AND GOVERNANCE
INVESTMENT POLICY**
Classification: Unrestricted

Summary: To report on a range of ESG issues and to seek agreement to a draft ESG Investing Policy Statement.

FOR DECISION

INTRODUCTION

1. Environmental, Social and Governance (ESG) is the term used to refer to a broad range of issues which can impact on how businesses operate, and are also influences to be taken account of in Pension Fund investment strategy.
2. This report updates the Committee on a range of ESG issues and proposes ways in which we can develop our approach.

EXTERNAL FACTORS

3. It seems to be an appropriate time for us to update our position on ESG issues in light of a number of general factors including:
 - (1) The Merseyside Pension Fund has decided to ballot scheme members on whether to invest in armaments companies.
 - (2) For the last few years we have provided information to the Campaign Against Arms Trade (CAAT) which has been published as part of a national survey.
 - (3) There has been recent local press coverage of "investments in Zimbabwe", this actually refers to stocks we hold in companies which as part of their business activities undertake business in Zimbabwe such as Toyota.
 - (4) CAFOD an agency of the Catholic Church in England and Wales contacted us in May in connection with concerns about the mining sector.
 - (5) The Kent Green Party have been in touch with the Kent Public Health Director on investment in tobacco companies.

Officers responsible for the Fund receive on average less than 5 queries a year from scheme members on ethical issues.

4. In April 2008 the Kent Unison Branch passed the following motion:

Ethical Investment - The Arms Trade

This Branch notes the resolution passed at UNISON's national delegate conference in 2007 calling for an end to investment by local authority pension funds in the arms trade.

This Branch is aware that Kent County Council's Superannuation Fund Committee currently has a very weak policy regarding ethical investment, and particularly does not prohibit its Fund Managers from investment in companies that are known to produce and export weapons and / or instruments of torture.

The Branch notes that KCC's Superannuation Fund, along with those of scores of other local authorities, invests in BAE Systems, the UK's largest arms company, which supplies weaponry to countries including Saudi Arabia and Zimbabwe.

Investment by the Superannuation Fund in the arms trade means that our members' money is used to fund unscrupulous international arms dealers to the ultimate benefit of oppressive regimes.

Accordingly, this Branch will campaign at every opportunity for the Superannuation Fund Committee to:

Recognise the UN principles of ethical investment.

Monitor and report investments made in its name in manufacturers and traders in weapons and related products.

Withdraw from or prohibit the Fund's investment in any organisation which (upon investigation) is identified as carrying out such sales and production.

This Branch will also develop a detailed policy on socially responsible and ethical investment, and seek to apply this policy to the Superannuation Fund through its representation on the Fund Committee.

This is clearly something the Committee need to respond to.

FIDUCIARY RESPONSIBILITY

5. The Committee has a responsibility to obtain the best possible financial returns on the investments of the Fund at an acceptable level of risk.
6. The view of the Committee is that any screening of the investable universe of companies to reflect ethical concerns is contradictory with the over-riding fiduciary responsibility which we have. This fiduciary responsibility from case law is generally taken to be to the Taxpayer. Decisions taken on ethical grounds, whether that relates to arms, tobacco, "unacceptable regimes", are fraught with difficulties. This report will show how there are other ways of addressing many of the perceived drawbacks of these investments.

7. The cost of the Local Government Pension Scheme falls most heavily on the scheme employers with the employee cost averaging 6.3% and the employer over 20%. If we take decisions to exclude companies on ethical grounds and these companies outperform, as for example Mining companies have recently, the effect is to increase the cost of the scheme to employers, and for the local authority scheme employers put up Council Tax. Individual scheme members may have views on ethical investments but they do not personally meet the financial cost of the Fund underperforming - their pension is guaranteed. It is this which makes the Merseyside scheme member vote on armaments investments difficult to understand.
8. There is no clear cut evidence on whether "ethical" funds under or outperform the market. Much will depend upon what sectors do particularly well at a point in time and the periods used to make the judgement. A small number of local authority funds did introduce ethically managed funds in the late 1990s and these seem to have been quietly abandoned. What is clear is that introducing ethical overlays reduces the accountability of investment managers and will at times lead to underperformance.
9. In Appendix 1 the current wording used in our Statement Investment Principles is included. This highlights that if at any time the Committee felt that a discretionary fund manager was acting inappropriately we would intervene. This cannot be precisely defined but relates to issues such as illegal activities or a major fraud.
10. In Appendix 2 we show the latest stock positions on a range of issues e.g. arms, tobacco, environment, unacceptable regimes.

ESG ISSUES

11. Corporate Governance

- (1) The work undertaken in the early and mid-1990's by the Cadbury, Greenbury and Hampel reports hugely raised the profile of good corporate governance by companies. Since the mid-1990's the Kent Fund has had a policy of actively voting the shares that it owns in companies, initially on the basis of advice from PIRC, and then on the basis of the voting policies of individual managers. The investment managers report back what they have done on a quarterly basis, some of which is included in the quarterly reporting booklets and some separately.
- (2) In November 2006 the Fund contracted with Manifest a voting monitoring service at a cost of £7,500 per annum. Officers believe that this provides us with no more information than we get from the managers and use of the service should cease.

12. **Shareholder Engagement**

- (1) The approach that local authority pension funds take to shareholder engagement varies. At a recent presentation by the Lancashire Pension Fund they referred to direct engagement meetings with companies on overseas employment standards, company workforce practices e.g. lower pay and use of agency staff and direct engagement with BAE (a major employer in the county).
- (2) Investment managers argue that the only way they can look to influence the behaviour of a company is if they are an investor - this is what gives them legitimate interest in challenging the behaviour of a company. So in an area such as getting drinks companies to take action to deter binge drinking this is an area where investment managers would look to influence company management.
- (3) It is recommended that the Kent Fund continues to focus this shareholder engagement role on the investment manager. What is clear from the research undertaken for this report is that investment managers do take engagement very seriously. This in part reflects a direct financial interest through the companies invested in performing well and partly a response to their clients who went to see engagement and action where companies do not meet the highest standards. Of the managers of the Kent Fund, Schrodgers and Baillie Gifford seem to have particularly well developed approaches on ESG issues. A short policy statement on Schrodgers approach to Socially Responsible Investing is attached in Appendix 3.

13. **United Nations Principles for Responsible Investing**

- (1) The UN Principles for Responsible Investing were developed in 2006 and are set out in Appendix 4.
- (2) I recommend that as part of our ESG policy the Kent Fund should formally adopt these principles.

14. **Climate Change**

In 2007 the Committee agreed to join the Institutional Investors Group on Climate Change. This group's members consist mainly of investment managers and pension funds. IIGCC produce excellent briefing material on climate change related investment issues and continued membership is recommended.

15. **Sustainable Investment**

As part of our increased allocation to Alternatives we have discussed the issue of investing in sustainable sectors or companies. It is clear that this is an investment theme which our mainstream investment managers are following up and it also features in the responses from a number of the specialist Infrastructure managers. Through these routes we can explore with external investment managers how we can expand in this area.

16. Shareholder Litigation

- (1) Officers have met with Barrack, Rodos and Bacine (BR&B) a firm of US attorneys whose main business is class actions in the US. BR&B provide an information service and their main interest is in being appointed as attorney should the Kent Fund be the lead litigant. Euraplan who provide the Shareholder software used in the Investments Team has also developed a free of charge monitoring system on class actions.
- (2) I would also expect JP Morgan our custodian to be monitoring the impact of class actions on the Fund.
- (3) Further work will be undertaken in this area and will be reported back to the Committee.

ESG POLICY STATEMENT

17. A draft ESG policy statement is attached in Appendix 5. If the draft is acceptable to Members then it is proposed to consult on it with scheme employers and other interested parties.

UNISON MOTION

18. In terms of a specific response to the Unison motion I propose that the Committee formally responds agreeing to adopt the UN Principles, agreeing to continue to monitor and report on investments in the armaments industry and declining to stop investing in armaments companies, as this would be in breach of the Committee's fiduciary responsibility.

RECOMMENDATION

19. Members are asked to:
 - (1) Cease the use of the Manifest Voting Service.
 - (2) Formally adopt the UN Principles of Responsible Investing.
 - (3) Agree the draft ESG Policy Statement for consultation with scheme employers and other interested parties.
 - (4) Agree a formal response to Unison as set out in paragraph 18.

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Extract from the Statement of Investment Principles

Social, Environmental and Ethical Considerations

Ethical investment is normally taken to mean not investing in certain types of company on a pre-determined basis such as production of armaments, tobacco, alcohol, pharmaceuticals, etc. The Kent Fund places no specific restrictions on the companies which our investment managers can invest in due to:

- (1) Our fiduciary responsibility to achieve the best return we can on investments. Ultimately the cost of the pension fund comes back to local taxpayers through their Council Tax and we need to minimize the impact on Council Tax.
- (2) The difficulty of agreeing what is in and what is excluded. By not making exclusions we can more readily judge how well our investment managers are performing.
- (3) Investment managers highlight that it is much easier to influence company behaviour as an investor rather than by not holding the stocks.

Underpinning this, the Kent Fund will intervene with the investment manager, if we believe that they are making investments in stocks or companies which are not acceptable to the Fund.

Corporate Governance

- (1) The Committee believes that the adoption of good practice in Corporate Governance will improve the management of companies and through this add long term shareholder value.
- (2) Each of the managers has a written set of guidelines on its policy and process in respect of voting and the managers are expected to vote in-accordance with their own policies in respect of resolutions at annual and extraordinary general meeting of companies.
- (3) Voting actions are reported by each manager in their quarterly reports to the Committee and for UK companies is monitored independently through Manifest.
- (4) The Committee will continue to develop its policy on Corporate Governance in accordance with developing best practice and by working closely with the fund managers.

Environment and Climate Change

The Fund recognises as a responsible investor the importance of environmental and climate change issues in making investment decisions.

We believe that investment managers should take account of environmental and climate change issues in their investment decisions.

To enhance our understanding of these issues and to allow us to fully engage with our investment managers the Fund has joined the International Investors Group on Climate Change.

KCC Superannuation Fund investments in Armaments, Oppressive regimes and Tobacco companies

As at the end of June 2008

| Fund Manager | Stock | Reason | Market Value | |
|---------------------|---------------------------------|-------------------|---------------------|-------------------|
| Alliance Bernstein | Baker Hughes | Burma | 2,885,314 | |
| | Chevron | Burma | 2,955,450 | |
| | BAE Systems | Arms | 1,556,313 | |
| | Royal Dutch Shell | Zimbabwe | 2,556,688 | |
| | China Petro Chem | Burma | 590,038 | |
| | Mitsubishi | Burma | 1,319,645 | |
| | Mitsui OSK Lines | Burma | 1,732,129 | |
| | Sumitomo Mitsui Financial Group | Burma | 1,690,359 | |
| | QBE | Burma | 856,932 | |
| | Siemens | Burma | 971,823 | |
| | Total Oil | Burma | 1,720,000 | |
| | Toyota | Burma | 613,843 | |
| | Phillip Morris | Tobacco | 1,695,016 | |
| | Lockheed Martin | Arms | 1,129,145 | |
| | Northrup Grumman | Arms | 995,020 | |
| | United Technologies | Arms | 895,252 | |
| | Rio Tinto | Environment | 3,816,262 | |
| | Exxon Mobil | Equatorial Guinea | 1,019,573 | |
| | Monsanto | Environment | 1,590,009 | |
| | | | | <u>30,588,812</u> |
| | Baillie Gifford | Imperial Tobacco | Tobacco | 1,005,410 |
| | | CNOOC | Burma | 2,235,067 |
| | | DBS | Burma | 1,883,210 |

| | | |
|---------------------------------|--------------|-------------------|
| Keppel | Burma | 957,729 |
| Mitsui Sumitomo Insurance Group | Burma | 1,681,096 |
| Total | Burma | 8,437,531 |
| Standard Chartered | Zimbabwe | 1,557,610 |
| Japan Tobacco | Tobacco | 2,297,575 |
| Phillip Morris | Tobacco | 5,086,076 |
| Reed Elsevier | Arms | 676,736 |
| BHP Billiton | Oil for Food | 2,608,480 |
| Rio Tinto | Environment | 1,080,720 |
| Altria Group | Tobacco | 2,116,534 |
| | | <u>31,623,774</u> |

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| BP | Zimbabwe | 16,198,182 |
| Royal Dutch Shell | Zimbabwe | 27,878,257 |
| Anglo American | Arms | 23,622,437 |
| BAE Systems | Arms | 8,186,250 |
| Rolls Royce | Tobacco | 4,584,487 |
| BAT | Arms | 7,971,576 |
| Reed Elsevier | Zimbabwe | 5,748,002 |
| Standard Chartered | | 9,344,721 |
| | | <u>103,533,912</u> |

GMO

| | | |
|-------------------|----------|-----------|
| Royal Dutch Shell | Zimbabwe | 1,980,278 |
| Total | Burma | 2,941,535 |
| BAT | Tobacco | 499,256 |
| Phillip Morris | Tobacco | 915,910 |
| BAE Systems | Arms | 206,196 |
| Schlumberger | Burma | 320,347 |
| Mitsubishi | Burma | 315,340 |
| Mitsui OSK Lines | Burma | 240,560 |

| | | |
|--------------------|----------------|--------------------|
| Keppel | Burma | 196,660 |
| Chevron | Burma | 1,052,131 |
| | | <u>8,668,213</u> |
| Societe Generale | Iraq Oilfields | 11,575,506 |
| BP | Burma | 10,245,561 |
| Royal Dutch Shell | Zimbabwe | 4,319,879 |
| Anglo American | Oil for Food | 2,199,475 |
| BHP Billiton | Environment | 5,036,503 |
| Rio Tinto | Arms | 2,602,789 |
| BAE Systems | Arms | 1,490,887 |
| Rolls Royce | Zimbabwe | 1,935,019 |
| Standard Chartered | | <u>39,405,620</u> |
| Invesco | Tobacco | 10,739,642 |
| BAT | Tobacco | 9,387,375 |
| Imperial Tobacco | Tobacco | 379,545 |
| Filtrona | Tobacco | 9,664,220 |
| Reynolds American | Arms | 5,038,975 |
| Rolls Royce | | <u>35,209,757</u> |
| | | <u>249,030,087</u> |

Total investment of £249,030,087 represents 15% of the funds investments in equities.

NB. This excludes Alcohol, Gambling and Pharmaceuticals companies

August 2008

Schroder

Pan European Socially Responsible Investment Policy

Schroders' approach to monitoring and taking action
on corporate social responsibility



Schroders

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Our approach to Socially Responsible Investment

This policy document outlines the approach taken by Schroders to socially responsible investment (SRI) in the Pan European Market.

Our philosophy

Schroders believes that companies have the ability to enhance their long-term performance through an understanding of the Environmental, Social and Governance (ESG) issues affecting their business. In an increasingly dynamic environment where legitimacy and credibility in the market place, as perceived by stakeholders¹, are important indicators of corporate performance, a thorough awareness of ESG issues enables companies to potentially mitigate risks and liabilities that could arise from these issues.

Stakeholders have a broad variety of vested interests and, increasingly, companies have to demonstrate accountability and a commitment to responsible behaviour to:

- **Shareholders:** to maximise the returns on their investment
- **Regulators, competitors and Government:** to operate fairly and legally within the market place
- **Consumers:** to provide goods and services that meet specified quality standards
- **Suppliers:** to respect and uphold supply chain agreements
- **Employees:** to provide a working environment which is conducive to optimal performance
- **Local communities:** to operate in accordance with their expectations
- **Charities and pressure groups:** to listen and be seen to be credible.

Corporate responsibility policies and corporate governance procedures establish a management framework across all corporate functions, from human resources to operations and supply chain management, finance, marketing and sales. Performance indicators, both financial and non-financial, can be used to provide information on corporate responsibility and corporate governance activities and their economic impact, providing consistent information over a period of time to fully understand their effects. Companies that can demonstrate a commitment to quality management in these areas can contribute to their own business success by enhancing their financial returns on investment in the long run and their long-term shareholder value.

We believe that our policy and processes comply with and support the implementation of the United Nations Principles for Responsible Investment, to which we are signatory.

¹ Stakeholders are defined as anyone who can be influenced by, or has influence on, a company's operations.

Integrating environmental, social and governance issues into investment processes

At Schroders we recognise that a broad range of both financial and ESG factors can affect the sustainability of a business and the creation of shareholder value. We look to identify and focus on issues that either are, or could become, material to corporate performance. On a routine basis our investment process researches ESG views held by company management and their related policies and performance management systems. Potential risks or opportunities that are identified are assessed and appropriately considered when constructing portfolios.

ESG Corporate Disclosure

In order for investors to research the ESG views held by company management, companies need to demonstrate and disclose how their operations take into account these issues and their relevance to the business, through their ESG policies and performance management systems. There is no common disclosure standard and levels of disclosure will vary between companies, especially between sectors, where ESG issues have different levels of importance.

At Schroders, we look for a company to make the following disclosure in its published reports; that:

- There is board level responsibility for ESG factors which significantly affect the business
- It assesses the significance of ESG related risks and opportunities and the extent to which these affect business performance and short and longer term shareholder value
- There are effective management systems in place to manage and mitigate ESG risks and develop ESG opportunities; and
- There are relevant key performance indicators to allow effective analysis of ESG performance.

Shareholder Activism

For Schroders, shareholder activism includes company engagement and voting on shareholder resolutions. We can also provide, for those clients that request it, an ethical investment service. We monitor and evaluate the performance of all these activities and regularly report back to our clients.

Engagement

We view engagement as a positive activity, an integral part of our role in managing, protecting and enhancing the value of our clients' investments that also improves communication between companies and investors. It is undertaken on a reasoned and pragmatic basis, recognising that not all companies conform to a single structure and their approach to issues will vary. We look to develop additional understanding or, where necessary, seek change that will either protect or enhance the value of our investments. We combine the perspectives of our research analysts, portfolio managers, corporate governance specialists and SRI analysts to form a balanced view of each company and the issues it faces.

Our SRI analysts engage in dialogue with companies to:

- Determine what they are doing to manage their ESG performance
- Encourage them to improve their performance on ESG issues, where these issues may represent a risk to shareholder value
- Provide guidance on developing policies and systems to manage these risks; and
- Where relevant, to set objectives for improvement.

We concentrate on each company's ability to create sustainable value and may question or challenge companies about governance issues that we perceive may affect the future value of those companies.

Voting

Shareholder resolutions of a social, environmental or ethical (SEE) nature can be tabled at a company's AGM as a form of stakeholder engagement. The use of shareholder resolutions as a tool will vary depending on the corporate governance laws of the country or region where the shares are listed. When a shareholder resolution on a SEE issue is tabled at a company's AGM, we will take into account company performance, best practice, whether the company has faced similar resolutions before and ultimately if the resolution is in the interests of shareholders before deciding how to vote. We seek to promote the adoption of suitable standards and to safeguard and enhance the long-term interests of our investments and clients.

Schroders also votes on other governance issues of a non SEE nature and our approach to voting on these issues is covered by our UK Corporate Governance and International Corporate Governance Policies.

Ethical investment

Schroders also provides ethical investment services, utilising specialist research to help develop investment universes that reflect our clients' values. Typically these would exclude companies based on certain moral criteria, for example tobacco or alcohol, however we are also able to develop more sophisticated screens for funds which can reflect the materiality of a company's exposure to certain issues.

Evaluating our Performance

We produce quarterly SRI reports that are available to our clients, which detail the companies we have met, the issues we have raised and what results, if any, were achieved. The reports also outline the SEE issues we have voted on, the research we have produced and other SRI activities that have been undertaken. We also produce an annual SRI review.

Conflicts of Interest

Schroders acknowledges that conflicts of interest may arise within the context of our work. Where these arise the matter is referred to the Global Head of Compliance, who then makes our final engagement decision, whether activism or voting, to ensure that they best serve the interests of our clients as a whole.

The Principles for Responsible Investment

1. We will incorporate ESG issues into investment analysis and decision making processes.

Possible actions:

- Address ESG issues in investment policy statements
- Support development of ESG related tools, metrics, and analyses
- Assess the capabilities of internal investment managers to incorporate ESG issues
- Assess the capabilities of external investment managers to incorporate ESG issues
- Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrate ESG factors into evolving research and analysis
- Encourage academic and other research on this scheme
- Advocate ESG training for investment professionals

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

Possible actions:

- Develop and disclose an active ownership policy consistent with the Principles
- Exercise voting rights or monitor compliance with voting policy (if outsourced)
- Develop an engagement capability (either directly or through outsourcing)
- Participate in the development of policy, regulation, and standard setting (such as promoting and protecting shareholder rights)
- File shareholder resolutions consistent with long term ESG considerations
- Engage with companies on ESG issues
- Participate in collaborative engagement initiatives
- Ask investment managers to undertake and report on ESG related engagement

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Possible actions:

- Ask for standardised reporting on ESG issues (using tools such as the Global Reporting Initiative)
- Ask for ESG issues to be integrated within annual financial reports
- Ask for information from companies regarding adoption of / adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact)
- Support shareholder initiatives and resolutions promoting ESG disclosure

4. We will promote acceptance and implementation of the principles within the investment industry.

Possible actions:

- Include Principles related requirement in requests for proposals (RFPs)
- Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long term time horizons when appropriate)
- Communicate ESG expectations to investment service providers
- Revisit relationships with service providers that fail to meet ESG expectations
- Support the development of tools for benchmarking ESG integration
- Support regulatory or policy developments that enable implementation of the Principles

5. We will work together to enhance our effectiveness in implementing the principles.

Possible actions:

- Support / participate in networks and information platforms to share tools, pool resources, and make use of investor reporting as a source of learning
- Collectively address relevant emerging issues
- Develop or support appropriate collaborative initiatives

6. We will each report on our activities and progress towards implementing the principles.

Possible actions:

- Disclose how ESG issues are integrated within investment practices
- Disclose active ownership activities (voting, engagement, and / or policy dialogue)
- Disclose what is required from service providers in relation to the Principles
- Communicate with beneficiaries about ESG issues and the Principles
- Report on progress and / or achievements relating to the Principles using a 'Comply or Explain' approach
- Seek to determine the impact of the Principles
- Make use of reporting to raise awareness among a broader group of stakeholders

KENT PENSION FUND

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INVESTMENT
POLICY STATEMENT

Introduction

The Superannuation Fund Committee is fully aware of its fiduciary responsibility to obtain the best possible financial return on the investments of the Pension Fund for acceptable levels of risk. This responsibility is to keep down as far as possible increases in the cost of the scheme to scheme employers and ultimately to dampen the cost of the scheme to Council Tax payers in Kent.

The Fund also seeks through good management of Environmental, Social and Governance (ESG) issues to help the financial performance and improve shareholder investment returns in the companies invested in.

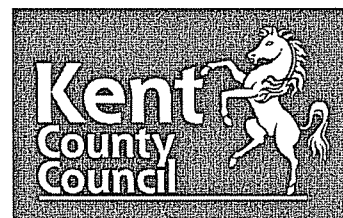
Fiduciary Responsibility

As a consequence of our fiduciary responsibility to the taxpayer the Fund will not impose restrictions upon our external investment managers on specific stocks or countries which they can or cannot invest in.

The Fund is not positioned either to impose blanket restrictions or to adjudicate which stocks or countries the Fund should invest in and is aware that:

- Restrictions will reduce the accountability of the investment managers.
- It is very difficult to determine what activities should be prohibited. This is an issue of individual conscience.
- It is only possible for investment managers to influence company behaviour if they are a shareholder.

The Committee retains the right to intervene with an investment manager if they undertake investments which are not acceptable eg illegal activities, major fraud.



Corporate Governance

The Committee expects the investment managers to fully participate in voting at company Annual General Meetings and to promote adherence to the code of best practice and the new combined code.

Investment managers feedback voting decisions on a quarterly basis.

Shareholder Engagement

The Committee expects the investment managers to engage with companies to monitor and develop their management of ESG issues in order to enhance the value of our investments.

Again the Committee expects feedback from the investment managers on the activities they undertake.

The Fund would engage directly with a company which we were invested in, in exceptional circumstances.

UN Principles of Responsible Investment

The Committee supports and endorses the UN Principles of Responsible Investment. The 6 principles are:

- We will incorporate ESG issues into investment analysis and decision making.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosures on ESG issues by entities we invest in.
- We will promote acceptance and implementation of the principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the principles.
- We will each report on our activities and progress towards implementing the principles.

Climate Change

As a member of the Institutional Investors Group on Climate Change we will monitor developments on climate change and use the research undertaken to monitor and challenge our investment managers.

Shareholder Litigation

The Fund will actively participate in class actions in the USA where it is of clear financial benefit to it.

If you have any comments on this policy statement please contact:

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