



Compliance with the UK Stewardship Code for Institutional Investors 2016

June 2016

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Introduction

The Fund supports the UK Stewardship Code and as part of its commitment to best practice seeks to apply the principles in the code to its investment activity.

The Fund's Position on Implementing the Principles

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

The Fund fully follows this principle.

The Fund's approach is set out in its Responsible Investment Framework, Statement of Investment Principles and its Voting Policies which is available on its website (<http://www.wmpfonline.com/ri>).

All new Investment Management Agreements (IMAs) include requirements to adhere to the UK's Stewardship Code, where applicable.

The Fund has a policy for recalling lent stock.

Roles and responsibilities with respect to the discharge of stewardship activities are set out in its Responsible Investment Framework.

2 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 fully follows this principle.

The Fund has a dedicated Conflicts of Interest policy which can be found on its website (<http://www.wmpfonline.com/corporateinfo>). Declaration of conflict of interests is a standing agenda item at the start of all Pensions Committee and Investment Sub-Advisory Committee meetings.

The need to avoid conflicts of interest is also highlighted in the Fund's IMAs and contracts with external parties.

3 Principle 3 – Institutional investors should monitor their investor companies.

The Fund fully follows this principle.

The Fund's arrangements are set out in its Responsible Investment Framework and its website (<http://www.wmpfonline.com/article/5708/Engagement-through-partnerships>).

For internally managed equity holdings, the Fund uses the Local Authority Pension Fund Forum (LAPFF) as its primary engagement partner. Where LAPFF cannot be utilized as an engagement platform, the Fund uses the engagement decision-making framework provided in Appendix 1.

The Fund holds its external fund managers to account for their engagement approach as part of its monitoring activities.

4 Principle 4 – Institutional investors should establish clear guidelines as to when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

The Fund fully follows this principle.

The Fund recognises that 'escalating activity' is most effective when carried out as a group; hence LAPFF will, when necessary, engage with directly held investee companies to protect and enhance shareholder value.

Where LAPFF cannot be utilized as an engagement platform, the Fund uses the engagement decision-making framework provided in Appendix 1.

The Fund holds its external fund managers to account for their engagement approach as part of its monitoring activities, which includes any escalating activity.

5 Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate.

The Fund fully follows this principle.

The Fund believes that collaboration with other investors on ESG issues allows the Fund to increase its impact when engaging with companies, fund managers, regulatory bodies and other stakeholders.

The Fund actively works with other asset owners, fund managers, and other organisations to promote responsible investment. These include but are not limited to LAPFF, the UN-backed Principles for Responsible Investment and the Institutional Investors Group on Climate Change (IIGCC), Pensions & Lifetime Savings Association (PLSA) and UK Sustainable Investment Forum (UKSIF).

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

The Fund fully follows this principle.

The Fund's voting approach and associated policies can be found on its website
(<http://www.wmpfonline.com/article/5693/Voting-Globally>)

7 Principle 7 – Institutional investors should report periodically on their stewardship and voting policies.

The Fund fully follows this principle.

The Fund's website provides information on its responsible investment commitments and evidence of implementation of its stewardship responsibilities.

Reports are taken quarterly to Pensions Committee on responsible investment activities
(<http://www.wmpfonline.com/article/5062/Member-Engagement>)

A section in the Annual Report is devoted to reporting on the Fund's responsible investment activity, including an annual summary of its voting and engagement activity
(<http://www.wmpfonline.com/annualreports>)

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